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domestic and foreign economic activity is primarily connected with a difference in the cost assessment of national production and foreign economic connections. The formation of value totals of foreign-trade exchange and its dynamics occurs under the significant influence of world prices or contract prices of regional trade, which significantly differ from prices of the domestic market. As a result, direct comparison of cost indicators of production and foreign trade could result in a distorted picture. This equally applies to the comparison of the dynamics of the same indicators in current prices. Thus, for example, the outstripping growth of USSR foreign trade with CEMA partners in regard to the produced national income for 1971-1980 in current prices was 2.3-fold, while real income (in terms of physical volume) was 1.2-fold.

Consequently, for the purpose of obtaining real correlations, comparability is required of comparable values, and for indicators of dynamics this means use of comparable prices. In the calculation of global export and import quotas, special conversion coefficients are used, making it possible to estimate the volume of foreign-trade operations on the basis of domestic prices. But such a method produces an effect only on the level of consolidated totals, which, as has already been pointed out, are inadequate for a quantitative characterization of the entire complex of interrelations and structural elements of the integration interaction of the economies. Even at the level of amalgamated sectors of the national economy, significant differentiation is required of conversion coefficients, which grows increasingly with detailed elaboration of the indicators. Such coefficients do not exist for the sectorial level. The employment in calculations of physical indicators can be used here for a definite solution. The correlations obtained on their basis can be used both directly and as an auxiliary tool for securing sectorial cost quotas. Thus, for example, through possession of information on production and export deliveries of basic types of fuel (petroleum and petroleum products, coal, natural gas), it is possible by averaging of components to obtain a free valuation of the share of exports in the total volume of production by the fuel industry. At the same time, the possibilities of using physical indicators for the comparison of production and foreign trade are restricted to a rather narrow range of commodities (basically raw materials and certain types of machines, equipment and consumer goods). Moreover, one should take into consideration that foreign-trade and domestic indicators can be incomparable from the point of view of the classifications used in accounting. The accounting products list of production and foreign trade frequently contains a completely different treatment of same-type items as the subject of accounting. In foreign trade, the classification principles emanate from the consumer designation of an object. As a result, there can be included in one group or even position articles of different sectors or production operations. Differences exist in employed units of measurement and a number of others. All this interferes with the wide-scale employment of physical indicators in the comparison of results of production and foreign trade.

It would be possible in our view to propose as a real alternative to any kind of conversion, evaluation methods of quantitative characterization of the external factor in the system of indicators of expanded reproduction the immediate selection of foreign-trade activity among basic elements of the

national-economic balance system: in the intersectorial balance of aggregate national production and in the balances of funds and manpower resources. This would make it possible to obtain full information on the basic aspects of participation of foreign trade in the forming of reproduction proportions.

Without a doubt, in view of the fact that excessive complication of the balance scheme is manifestly undesirable, the limits of reflection in it of foreign-trade activity should be determined. At the same time, it should be pointed out that even now in the work of compiling an intersectorial balance of a number of countries of the socialist community, for example Bulgaria, Hungary and Czechoslovakia, the totals of foreign-trade exchange are shown on one line for the national economy as a whole itemized according to sectors. This provides the possibility to evaluate immediately and accurately the participation of individual sectors in international division of labor and the actual sectorial proportions of exchange. The spread of this practice in all the CEMA member countries in combination with the working out of a single procedure of balance calculations has made it possible to significantly expand the information base for analysis and comparison of quantitative developmental parameters of the integration process.

Mention should be made of still another aspect of quantitative characterization of foreign-economic, including integration, relations closely connected with possible modification of the balance scheme. Reference is made to evaluation of the effectiveness of these relations. Emphasis on intensification of cooperation increases still more the need of securing information not only on the results of the foreign-economic activity of CEMA member countries but also on the relation of these results to outlays of basic types of resources--manpower, material and capital. A sufficiently grounded conclusion on the character, intensiveness, basic directions and effect of the action of the foreign-economic factor on the national economy of each of the countries of the socialist community can be made only on such a basis. The methodological recommendations existing at the present time on evaluation of effectiveness of foreign trade and integration forms of cooperation of CEMA member countries have in our view too much of a specific character. The complex, multifactor algorithm for calculating effectiveness indicators, particularly with reference to integrative forms of cooperation (specialization and cooperation of production, share participation in construction of facilities) does not permit a single-valued evaluation of their economic effect or its comparison with similar characteristics of the domestic economy. Moreover, it should be said that a single methodological approach for all the countries to an evaluation of effectiveness of foreign trade, particularly, its integration component, has still not been achieved.

On the basis of interpretation of integration as an inseparable element and substantial developmental factor of socialist expanded reproduction at the present stage, its appraisal is presented here as necessary primarily according to general criteria of effectiveness for the whole national economy: labor intensiveness, materials intensiveness, fund requirements [fondoyemkost] and capital intensiveness [kapitaloyemkost]. Appraisals exist confirming that the economic gain secured by our country from foreign-economic ties is above average for the national economy.⁸ Examples are to be found determining the effectiveness of foreign-economic ties according to the above-mentioned

criteria of resource intensiveness.⁹ But calculations of this kind possess to a significant degree an experimental, evaluative character. The existence of such information on the basic aspects of foreign-economic activity within the framework of the system of balances would create the necessary preconditions for regular obtaining such indicators on the basis of a unified methodology and with the necessary degree of detail.

Singling out of foreign-economic activity among the basic elements of the system of national-economic balances would make it possible to solve the first part of the above-stated problem--to qualitatively evaluate the role and place of foreign-economic exchange in the formation and modification of basic proportions and results of expanded reproduction. But as it was pointed out above, an equals sign may not be placed between foreign-economic and integration ties of CEMA member countries. For the purpose of characterizing the importance of integration, it is necessary to take the following step: to determine leading criteria and to express them quantitatively with reference to the integration component of foreign-economic ties.

It should be said that not only the actual concept of integration trade but also attempts to lend it quantitative specificity are found in the contemporary scientific literature. Thus integration trade includes barter carried out within the framework of agreements on international specialization and cooperation of production (MSKP) and on joint construction of national-economic facilities through share participation of CEMA member countries.¹⁰ The fact is that the only real accounting criterion of such trade for today is the existence of a special regulatory document (agreement). This approach, taking into account the most significant forms of the integration ties of CEMA member countries at the present stage has at the same times weak spots. Actually, a number of agreements only secure a certain, already existing structure of trade, thereby being sooner a regulator of exchange but not of production, as this should follow from the nature of the given form of integration cooperation. At the same time, some deliveries, also of a traditional character, but not included in the agreements, do not fall into the sphere of trade of specialized products. Under these conditions, the desire is understandable of a number of authors to differentiate the concept through the introduction of a certain "contractual specialization," "export specialization," "indirect specialization" and so forth.¹¹ From our point of view, in quantitative characterization it would be terminologically more convenient to speak of indicators of foreign-trade profiling, keeping in mind the designation of stable, traditional supplied types of products regardless of the presence of an agreement on international specialization and cooperation of production¹² in order not to confuse them with quantitative evaluations of production specialization as a form of integration cooperation. For an actual reflection of the second aspect, the considered agreements should be more carefully selected in the future. In all probability, only those agreements which really influence national production, that is, provide a stable stimulus to its expansion in specializing countries and contribute to stopping parallel production output in importing countries, can be considered as forms of integration trade and correspondingly as a subject of special statistical observation. With the existence of a broad spectrum of agreements on international specialization and cooperation of production, obviously it is advantageous to empirically select a number of agreements (or groups of

agreements) and types of products corresponding to them of those subsectors which participate most actively in integration cooperation. They include atomic machine building, production of computers, robots and manipulators, shipbuilding and a number of others. This will provide the possibility of quantitatively evaluating integrative interaction in addition to the available appraisal of the general results of development of contractual production specialization and cooperation.

With development and deepening of the integration process, the need becomes increasingly more obvious for the independent study and quantitative assessment of specialization of production and production cooperation.

The creation of a ramified system of cooperative ties in the economy of the countries of the socialist community not only significantly supplements developed sectorial and intrasectorial specialization but also serves as the basis for its improvement and further development. Cooperative ties as applied to the microlevel serve as the principal content and actual means of achieving integrative interaction of the economies. At the same time, the results of cooperative exchange in generalized form also can be quantitatively expressed for the macrolevel as well. In the significant rise of their relative share in the total volume of regional trade, many specialists see an indicator of progressive development of the integration process within the CEMA framework. Despite this, today's possibilities of quantitative evaluation of cooperative ties even in a most generalized form are hampered because the existing practice of contractual formulation and statistical accounting of deliveries on the basis of cooperation does not make it possible to select them from the total turnover of products within the scope of the agreements on production specialization and cooperation. A number of agreements exist containing at the same time deliveries of both specialized and cooperative products. As a result, cooperative turnover is diluted in the total results of realization of the agreements on international specialization and cooperation of production. The attempt at accounting of cooperative productions on the basis of physical and material criteria through an appraisal of trade based on parts, units and components does not provide a reliable picture of the development of cooperative ties. In this case, the subject of observation would be products of the kind that frequently do not serve as an object of cooperation (for example, spare parts) and, on the other hand, beyond its framework there would be left finished products assembled on the basis of cooperative deliveries. An actual way out, making it possible to provide accounting of barter on the basis of cooperative ties, it seems to us, consists of special indexing in accounting documents of strictly cooperative agreements and corresponding to them reciprocal deliveries of products similarly to the way it was once done for specialized products.

There should also be pointed out the desirability of improving the information base of statistical observation for specialization and particularly for cooperation of production not only for foreign-trade but also for production indicators. At the present time, there exist only separate fragmentary appraisals of this kind. In selecting the formation of production integration ties as a criterion of development of the integration process and acknowledging the need of their assessment from positions of national-economic effectiveness, one should not be restricted solely to foreign-trade

characterization of the leading forms of integration cooperation. It should be supplemented by an appraisal of the same forms from the positions of production results and outlays. The possibilities of providing for details of the balance scheme (selection in it of material flows in production connected with integration cooperation) are eliminated in view of the excessive complication of this scheme. Clearly, the optimal solution can be use of selective surveys, making it possible to obtain the necessary data for comparison of the production indicators of integrated production operations with their analogs for the national economy as a whole. For the purpose of getting evaluative results in the absence of such information, it is possible to use general indicators for regional barter using internal prices or its resource-expending characteristics (materials intensiveness, labor intensives and so forth) corrected in conformity with the specific character of the commodity structure of integration trade.

It should be taken into consideration that under conditions of the growing role of scientific and technical progress, the sphere of international cooperation of CEMA member countries increasingly encompasses scientific and scientific applied developments. Under these conditions, the necessity is obvious of getting quantitative characteristics of scientific and technical cooperation and scientific and production cooperation of CEMA member countries. At the same time, the growth of purely extensive indicators (the number of joint scientific-research collectives working on subjects and problems and the volume of financed research) is not able to fully reflect the development of integration in this field. Apparently such indicators should be more widely utilized as the sum effect from introduction of joint developments expressed in cost indicators, growth of patent and licensed trade within the framework of the socialist community and others.

As has already been pointed out, in addition to specialization and cooperation of production, deliveries for joint investment projects are included in the sphere of integration trade. Such an approach in principle does not provoke objections. Involvement of interested countries in participating in financing of construction of large-scale national-economic facilities, granting them credits and manpower and subsequent repayment of share participation with the products of these facilities is undoubtedly a sign of transition to closer integration of CEMA member countries.

But the principle of consideration of facilities as an element of integration trade needs to be refined. The fact is that investment cooperation of CEMA member countries now basically developing in the fuel and raw-material sectors possesses the character of "temporary" integration. In the period of construction of a facility, deliveries of machines, equipment, construction materials and so on, in other words, the entire volume of resources imported from countries participating in construction acts as turnover of integration trade. After the startup of a facility, exported products go for repayment of the share participation of the partner countries and also, obviously, should be included as a component of integration turnover. But after the fulfillment of payment obligations of share participation, products continue to arrive in the countries of the socialist community. Should it be considered as before within the framework of turnover of integration trade? Yes, if you take into consideration that the constructed facility is the result of integration

cooperation and operates as an element of resource provision for CEMA partners, which serves as the basic aim of the concluded agreement. But for the characterization of the concrete form of integration cooperation--share participation in construction of facilities--we should apparently restrict ourselves to the period of repayment of mutual obligations.

Having examined a number of the most characteristic, in our view, methodological problems and specific questions of accounting and quantitative analysis of integration connections at the present stage, we shall emphasize once more that they do not exhaust the complexity of the quantitative appraisal of the process of socialist integration. Further development of Integration cooperation of the economies, its mechanism, organizational forms and basic directions will disclose additional aspects and possibilities of resolving the above-examined problem. There is also no doubt that it deserves subsequent elaboration, which would make it possible to achieve in the future fullness and accuracy of quantitative evaluation of the integrational process's parameters required for effective regulation of its development and selection of optimal solutions in this field.

FOOTNOTES

1. Ekonomicheskoye soveshchaniye stran-chlenov SEV na vysshem urovne (12-13 iyunya 1984 g.)" [Economic Conference of CEMA Member Countries at the Highest Level (12-13 June 1984)]. Documents and Materials. Moscow, 1984, p 24.
2. Shiryayev, Yu.S., "Sotsialisticheskaya integratsiya i mezhdunarodnoye razdeleniye truda" [Socialist Integration and International Division of Labor]. Moscow, 1978, p 173.
3. The terms "region," "regional market" and "regional trade" in this article refer to integration grouping of countries and barter relationships operating within its framework as applied to socialist economic integration--the group of CEMA European member countries.
4. See KOMMUNIST, No 10, 1984, p 5.
5. Lenin, V.I., "Poln. sobr. soch." [Complete Collection of Works], Vol 30, p 351.
6. Marx, K. and Engels, F., "Soch." [Works]. 2nd ed., Vol 46, Part I, p 385.
7. The integration component of foreign-economies ties here and subsequently means that portion of reciprocal exchange which is connected with the realization of integration forms of cooperation and supplements regular foreign-trade deliveries.
8. See: "Ekonomicheskiye ryuchi ratsionalnogo ispolzovaniye resursov" [Economic Levers of Rational Use of Resources]. Moscow, 1981, p 332.
9. G.L. Shagalov particularly points out that the performed calculations

confirm the labor and capital-conserving character of USSR foreign-economic relations in the '70s (See: Shagalov, G.L., "Effektivnost ekonomicheskogo sotrudnichestva stran SEV" [Effectiveness of Economic Cooperation of CEMA Countries]. Moscow, 1983, p 26).

10. See, for example: VOPROSY EKONOMIKI, No 11, 1984, pp 116-123.
11. See, for example: Sergeyev, V.P., "Mezhdunarodnaya sotsialisticheskoye razdeleniye truda: pokazateli i tendentsii razvitiya" [International Socialist Division of Labor: Indicators and Tendencies of Development]. Moscow, 1979, p 123; "Mezhdunarodnaya spetsializatsiya i kooperirovaniye proizvodstva stran SEV" [International Specialization and Cooperation of Production of CEMA Countries]. Moscow, 1982, pp 246-252.
12. Some variants of such an indicator are presented in the book "Mezhdunarodnyye spetsializatsiya i kooperirovaniye proizvodstva stran SEV," op cit.

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THIRD WORLD ISSUES

DISCUSSION OF ECONOMIC AID TO THIRD WORLD COUNTRIES

Moscow INTERNATIONAL AFFAIRS in English No 3, Mar 86 pp 28-36

[Article by I. Kapranov, A Dogayev: "Tangible Results of Economic and Technological Cooperation"]

[Text]

The dynamic policy of the CPSU and the Soviet government aimed at ensuring a favourable world climate for perfecting socialist society and advancing to communism in the USSR, strengthening the positions of the world socialist community, eliminating the danger of war, achieving disarmament and ensuring universal security, and establishing genuine equality, including in the economic sphere, of all peoples and countries, is manifested in the development of economic ties with the newly free countries. The essence and nature of the Soviet Union's relations with these states is vividly expressed in the following thesis which has been confirmed in the new edition of the CPSU Programme: "The CPSU supports the just struggle waged by the countries of Asia, Africa and Latin America against imperialism and the oppression of transnational monopolies, for the assertion of the sovereign right to be master of one's own resources, for a restructuring of international relations on an equal and democratic basis, for the establishment of a new international economic order and for the deliverance from the debt burden imposed by the imperialists."

Proceeding from this principled policy in support of the developing countries' efforts to overcome economic backwardness and strengthen their political and economic independence, the Soviet Union allocates with the object of assisting these countries a part of its resources created exclusively by its people's effort. This assistance is free of all mercenary motives and is rendered in forms which have proved their effectivity in practice and have been acknowledged by the developing countries.

An indicative feature of the Soviet Union's economic assistance to this category of countries is its concentration, at the request of their governments, in the state sector. The strengthening of this sector provides the developing countries with greater opportunities for implementing socioeconomic changes, reinforces their stand in combatting the baneful consequences of TNC activities, and affords greater possibilities for pursuing an independent policy in the sphere of international economic ties. This aid is based chiefly on intergovernment agreements and is rendered in keeping with long-term programmes which determine the priority spheres of cooperation. Thus the Soviet Union's economic assistance to its partners is free of time-serving fluctuations and is known for its reliable and stable character. One of its distinctive features is that the Soviet Union does not share in the returns of the projects built with its assistance in the developing countries: all the national economic facilities built along these lines are in the full ownership of the countries in whose territories they have been built, and serve their national interests.

It must also be noted that in distinction to Western "aid" Soviet economic and technological assistance to the developing countries is rendered on a comprehensive basis and includes designing and building large-scale enterprises for different spheres of the national economy; delivering complete plant and equipment, materials and spare parts; assembly work and adjustment of the equipment; geological prospecting; granting credits; providing scientific documentation; training qualified technological, management and scientific personnel.

The Soviet Union's economic and technological assistance to the developing countries is concentrated first and foremost in the sphere of material production: nearly 80 per cent of all aid is directed towards industry and the power industry. The channelling of this cooperation into the sphere of production, above all into industry, reflects the developing countries' awareness of the dire need to create their own base for independent economic development. This approach promotes the development of their productive forces, makes the latest achievements of engineering and technology accessible to them, allows them to create effective prerequisites for the successful implementation of their policy to strengthen economic independence and the effective solution of acute socio-economic problems, such as doing away with the lopsided economic structure and developing backward areas, raising living standards, settling the food problem, and so on.

Highly important to the young national states is the fact that Soviet economic assistance is channelled first and foremost into the basic branches of their national economies, which is precisely what is avoided by Western countries and firms. When they do agree to this it is only because the world of socialism has long eliminated their monopoly on economic relations with the developing countries.

In the USSR's economic ties with the developing countries in the 11th Five-Year period a prominent place belonged to economic and technological assistance in the power industry (nearly a fourth of all its commitments to these countries). It has a comprehensive character and is aimed at creating fuel bases and at building power facilities, and developing power systems for this group of countries. Among the countries where the Soviet Union has already built or is building thermal and hydroelectric power plants, power transmission lines and other power facilities, one can name Afghanistan, Bangladesh, India, Pakistan, Iraq, Iran, the People's Democratic Republic of Yemen, Syria, Turkey, Algeria, Angola, Egypt, Libya, Ethiopia, Morocco, Nigeria, Tunisia, Guinea, Guinea-Bissau, Zambia, Mali and many other countries.

At present the Soviet Union has commitments to the developing countries along the lines of the USSR State Committee for Foreign Economic Relations for the building of 241 power facilities of which 156 are already operating, and among them power stations with the total capacity of 30,000 megawatts (with 13,500 megawatts already in operation).

In India, for instance, to whom the Soviet Union has been rendering technical assistance for the development of its power industry since 1957, power stations have been built with a total capacity of 2,100,000 kW and a large power engineering base has been created. Power plants built with Soviet assistance generate over 10 per cent of the country's electricity. An agreement has been signed for the development of Soviet-Indian cooperation in the power industry in the 12th Five-Year period which envisages the rendering of financial and technological assistance to India in the construction of the 1,260,000 kW Vindhya thermal power plant and a 570-kilometre-long power transmission line. The construction of these facilities is already under way. The intergovernment agreement signed

in May 1985 envisages assistance in the next five-year period for the construction of the first phase of the high-capacity Kahalgaon thermal power plant in the State of Bihar.

And fruitful cooperation of this kind is no exception. Of unique significance for the Syrian economy is the Euphrates hydroengineering complex with a 800-megawatt hydropower station (which began working at full capacity in March 1980) built with the USSR's assistance, which, according to SAR President Hafez al-Assad, is a symbol of eternal Arab-Soviet friendship, a model of fraternal cooperation between the Syrian and Soviet peoples. The cheap electricity generated by the Euphrates hydropower station satisfies one-fourth of Syria's electricity requirements. Moreover, surveying operations have been started for the construction of the Tishrin 400-megawatt thermal power plant in the vicinity of Damascus, which will be the second in capacity after the Euphrates hydropower plant (this plant will be one of the principal projects of Soviet-Syrian economic cooperation in the 12th Five-Year period). Also envisaged are surveying operations for the construction of the Tishrin 400-megawatt hydroelectric generating station on the Euphrates. Cooperation will also be continued in building a power transmission line.

Well known throughout the world is one of the biggest power generating facilities built in Egypt with Soviet assistance—the Aswan hydroelectric complex with a 2,100,000 megawatt hydroelectric power station. By 1970 all its 12 units (175,000 kW each) had begun operating. Since then the Aswan hydropower station has already generated over 90,000 million kWh of lowcost electricity and continues to work flawlessly at full capacity. This has enabled the country to save 30 million tons of liquid fuel which would have been needed to produce the same amount of electricity at thermal power plants. The Soviet Union will continue its programme of assistance in electrifying Egypt's rural areas in the 12th Five-Year period.

Highly important for producing electricity for the needs of towns and cities, rural areas and different industrial facilities are the thermal and hydraulic power stations built with Soviet assistance in Morocco, Nigeria, Tunisia, and diesel power plants in Guinea, Guinea-Bissau, Zambia, Mali, Sudan and other countries.

The growing business prestige of Soviet specialised organisations responsible for economic and technological assistance to the developing countries and the fine quality and high economic indices of the projects under construction are steadily increasing the number of their customers. In this connection one can recall that in the period 1979-1981 Soviet organisations took part in surveying operations for the construction of the first phase of the Parana Medio hydroengineering complex in Argentina and in working out plans for its design embracing a 3,100 megawatt hydroelectric power station, a system of locks, dams and other facilities. A contract has been signed for the participation of the USSR in building the Ilya Grande 2,400-megawatt hydroelectric power plant on the Parana in Brazil. A preliminary agreement has been reached on cooperation in organising the production of low-and mean-capacity facilities for the hydropower station in Brazilian plants.

Alongside the building of power plants, power transmission lines, substations and other facilities of this kind the USSR renders assistance in building up the fuel and power base of the newly-free countries to ensure their national economic development. As of early 1985, put into operation in the developing countries with Soviet technological and economic assistance were facilities with the output of 67.3 million tons of oil and 19 million tons of coal, and rich gas deposits. In the 12th Five-Year period geological prospecting for oil, coal and gas will be continued in many of these countries.

The Soviet Union with its up-to-date engineering base for ferrous and non-ferrous metallurgy and vast experience of building and running large-scale metallurgical complexes renders extensive assistance to the newly free countries in building facilities in this sphere. Over 25 per cent of the sum total of this assistance falls to ferrous and non-ferrous metallurgy.

The technological schemes of projects built by Soviet organisations conform to the strictest requirements of environmental protection and ensure an installed capacity within the shortest time. By 1985 at enterprises built in these countries with the help of Soviet organisations capacities had been introduced for the production of 14.6 million tons of pig iron, 16 million tons of steel and 13.8 million tons of rolled metal.

The USSR's present commitments concern the building and reconstruction in the developing countries of 32 facilities for ferrous and non-ferrous metallurgy, of which 26 have already begun operating.

The Soviet methods of economic and technological assistance, which cover virtually the construction of the entire industrial complex and the pertaining structures; the training on a large scale of local personnel at different levels; active handover of technological knowledge, licenses and know-how pertaining to the building and running of the enterprises; the attraction of local building and industrial firms-subcontractors; the high level of Soviet technology and the latest achievements of the USSR in the metal industry—all these factors account for the economic success of this cooperation. In 1984 the iron-and-steel works in Bhilai and Bokaro built with Soviet assistance accounted for about 40 per cent of India's steel and rolled metal output. At present the capacities of these plants are being developed to bring their yearly steel output up to 4 million tons each, and will be raised in the future to 5 and 5.5 million tons respectively. Metallurgical combines have been built or are under construction with Soviet assistance in Egypt, Algeria, Turkey, Iran and Nigeria.

The contribution of Soviet organisations to the development of the oil refining, petrochemical and chemical industries in the developing countries is also growing. The rich experience of the Soviet oil refining and petrochemical industries in developing and mastering the latest technology, intensifying oil processing and reducing losses of oil and oil products, ensures the highly effective work of the facilities built in the developing countries. In the last twenty years the geography of cooperation in this sphere has considerably expanded and its volume has more than doubled. As of the beginning of 1985 the Soviet Union's commitments to these countries covered 61 projects of which 27 were already in operation.

The Soviet Union renders the developing countries substantial help in the development of the engineering and metal-working industries. It has helped build facilities for the production of metallurgical and mining equipment, hoisting and transportation equipment, and other mechanical devices, farm machinery, metal-cutting machine tools, and forged pieces. Large engineering facilities have been constructed in Afghanistan, India, Bangladesh, Iran and Egypt, among other countries.

Using their geological experience Soviet specialists carry out extensive surveying and prospecting operations in many developing countries. The Soviet Union's approach to the study of these countries' mineral and raw-material resources differs radically from the colonialist and neocolonialist policy of the Western countries, whose mining companies prefer to develop only the more easily accessible deposits that ensure the highest return and virtually have no interest in comprehensive geological studies. At present Soviet organisations are engaged in geological prospecting in 30 developing countries where over 2,000 Soviet specialists are working. Altogether nearly 60,000 Soviet geologists have already contributed to the development of these countries' mining industries in the course of their cooperation with the USSR.

The Soviet Union also renders the newly free countries substantial assistance in developing their agricultural economy and food industries, thereby laying the foundations for a sound and lasting material ba-

se that will make it possible to increase their agricultural output, ensure its processing, and provide their peoples with a reliable supply of food products. Help is given in the form of developing new lands and building irrigation systems, setting up state crop-growing and animal husbandry farms, building machine-and-tractor stations and providing them with machinery, building and equipping workshops, veterinary laboratories and stations, research laboratories, research and experiment stations. Thus, there is a radical difference in the approach of the USSR to the agricultural problem in these countries and that of the Western states, whose "aid" usually boils down to deliveries of foodstuffs, which takes care only of the immediate requirements.

Soviet assistance in developing agricultural production in these countries gives priority attention to the development of new lands and the building of irrigation systems, bearing in mind that there is still a great shortage of arable land there. With the present rates of population growth and the existing soil productivity it would take nothing less than one hectare per head of the population in the developing countries to reach by the end of the century the standards of consumption of agricultural produce in these countries to those of the industrialised states. Moreover, in most of the developing countries irrigation is the basic means of raising soil productivity.

As in the industrial and power engineering sphere, Soviet assistance in agricultural development is extremely diverse. In Afghanistan, for instance, with its specific natural conditions, substantial help is rendered in the building of water-supply systems. The Jalalabad irrigation system was completed in 1965. The Soviet Union helped set up in the irrigated lands two state farms specialising in the production of citrus fruits and olives, which have been exported to the USSR since 1970. The Soviet-Afghan agreement signed in August 1979 envisaged technological assistance to Afghanistan in the construction of seven machine-and-tractor stations and the delivery of farm machinery. At present the country has four such stations.

To raise Afghanistan's agricultural production the USSR has helped set up field-management services, a state seed-growing system, the reconstruction of artificial insemination stations and has organised make-shift veterinary stations. Soviet organisations took part in building the Kabul bread-baking combine, several mills, elevators, two local bread-baking plants, and a cannery in Jalalabad.

The Soviet Union renders substantial assistance in building agricultural facilities to Iraq, the People's Democratic Republic of Yemen, Algeria, Syria, the Yemen Arab Republic, Tunisia, Angola, Mozambique, Ethiopia and several other countries, where this assistance invariably brings in tangible results. One of the biggest projects of this kind in Syria—the hydroengineering complex on the Euphrates—has not only considerably increased the production of low-cost electricity but has done away with the threat of floods, while the reservoir included in the project now offers great opportunities for irrigating the near-lying lands and increasing cotton, grain and other crops. In the future its waters will be used to irrigate nearly 640,000 hectares of arid land thereby almost doubling the country's irrigated ploughlands. Many other undertakings dealing with the building of irrigation systems and developing new lands are in progress or have been envisaged in partnership with the USSR.

An identical example is to be had in the Aswan Hydro-Electric Power Complex in the Arab Republic of Egypt, which is of foremost importance for its agricultural development. In the early 1970s the notorious US political scientist Zbigniew Brzezinski was compelled to admit that in Egypt only a few remembered US food aid, but no one would ever forget that the Aswan High Dam was built by the Russians. The reservoir of

the Aswan
hectares c
with Sovi
under crops, and of this number nearly 40,000 ha.
with Soviet assistance). Moreover, nearly 400,000 hectares more have
been virtually transferred from seasonal to year-round irrigation, thus mak-
ing it possible to take in two or three crops yearly. Crop yields have
also gone up.

The Aswan High Dam has repeatedly saved the country from destruc-
tive floods and severe droughts. Had it not been for the Dam, vast
ploughlands would have been left without water, like in neighbouring Su-
dan, and the two countries' economy would have suffered great losses.
An eloquent appraisal of the project's significance was made by Egypt's
Minister of Irrigation Assam Abdel Hamid Radi in an interview to a rep-
resentative of the newspaper *al-Gomhuriya* in November 1984: "We have
been receiving all these years a steady 55,000 million cu. m. of water from
Lake Nasser to meet our irrigation requirements. To imagine what this
actually means, suffice it to say that 1,000 million cu. m. of water is
enough to produce 375,000 tons of wheat, suffice to feed 1 million people.
We owe all this to the High Aswan Dam."

Among other countries where Soviet assistance contributes to similar
undertakings, the development of the agricultural infrastructure, the set-
ting up of model farms specialising in various produce, the building of
different processing facilities, one can name Angola, Zambia, the Congo,
Mali, Madagascar, Mozambique, Sudan, Tanzania, Nepal, Ethiopia, Tuni-
sia and Peru. Although nearly all of these countries have become the sit-
es of building projects now in progress with Soviet assistance, for con-
venience sake we shall quote only a few general figures.

In the developing countries Soviet organisations have helped build
grain elevators with a total capacity of nearly 1.9 million tons (agree-
ments envisage capacities exceeding 2.1 million tons), and irrigate and
develop over 1.7 million hectares of land (envisaged more than 2.2 mil-
lion hectares). The industrial facilities built with their assistance produce
mineral fertilizers, manufacture tractors, different farm machines and
equipment, which are all essential for the solution of these countries'
acute food problem.

A highly important and traditional aspect of the USSR's economic and
technological assistance to the developing countries is the training
of national personnel. This is a large-scale and comprehensive sphere of
cooperation which is usually translated into life through intergovernment
agreements. It is also concentrated in the state sector which is highly
effective for coordinating the plans for training national personnel with
national economic development programmes.

Soviet organisations always strive to make maximum use at joint
cooperation projects (in building and operating) local specialists and
workers (who receive on-the-job training), in order to make a contribu-
tion towards solving the acute problem of providing employment for the
population in these countries. With the training of national personnel in
their own countries, the number of Soviet specialists is systematically
decreased and the production is gradually transferred to national cadres.
Such an approach is essentially different from the practice of many
Western countries and their firms, which often hinder the growth of na-
tional personnel.

Note must be made that the Soviet Union gives priority to the training
of local personnel at building sites and on-the-job. It has made it pos-

along with 55,000 in India, 55,000 in Afghanistan, 55,000 in Egypt, 55,000 in Iraq; and 33,000 in Syria.

Another important form of assistance to the developing countries in raising the people's educational level and training qualified personnel is the building of various educational establishments and centres. The Soviet Union has helped build and equip in 26 developing countries over 300 educational centres, vocational-technical schools, and regular courses which have trained about 500,000 skilled workers for different economic branches, including ferrous and non-ferrous metallurgy, the light and food industries, the electric power industry, and agriculture. The largest number of such educational centres falls to Egypt, Algeria, Iraq, Iran, Angola and Mozambique. At present another 150 educational centres are under construction with Soviet assistance in the developing countries.

The more than 50 higher educational institutions and technical secondary schools built in these countries with the assistance of the USSR have also become a major source of training engineers and technicians for their national economies. Among them one can name an institute of mining and metallurgy, an institute of oil, gas and chemistry, and an institute of light industry in Algeria, a polytechnical institute and a technical secondary school of mines and an automotive technical secondary school in Afghanistan, polytechnical institutes in Ethiopia and Guinea, and an institute of technology in India. They have trained over 120,000 specialists for more than 50 professions. These and other educational establishments are well known in their own countries and abroad. To ensure a high level of training over 2,000 Soviet teachers are sent yearly to these countries.

A special place in the system of training national specialists for the developing countries belongs to the vocational and technical education of foreign citizens in the USSR. It introduces them to the latest achievements of science and technology, provides the use of equipment identical to the kind that is delivered to the projects built with Soviet economic and technical assistance, and is in tune with the practical tasks that will have to be tackled by the national specialists in their own countries. To provide these facilities, up to 200 enterprises, establishments, and research and designing institutions are singled out by ministries and departments—chief suppliers of equipment and plant to the developing countries. Among them one can name big enterprises and facilities boasting the latest technology, such as the Azovstal Metal Works in Zhdanov, the production amalgamation Elektrosila in Leningrad, the Bratsk Hydropower Plant, the Novovoronezhskaya Atomic Power Plant and the Minsk Tractor Works. Over 88,000 specialists and workers from the developing countries have received vocational and technological training and consultations in the USSR. In 1984 alone nearly 7,500 specialists and workers from 28 partner countries came to the Soviet Union to receive training.

Soviet secondary and higher educational establishments play an important role in training national personnel for the developing countries. There are now nearly 80,000 foreign students, post-graduate students, and probationers from 113 countries of Asia, Africa and Latin America, irrespective of their socio-economic systems and foreign policy orientation, studying in the USSR. They are trained in more than 300 Soviet higher colleges and technical secondary schools in approximately 270 specialities. Half of this are future engineers, 20 per cent—teachers, 20 per cent—medical workers, and the remaining—agronomists and zoo technicians.

The Soviet Union is constantly increasing its assistance to the newly free states in training skilled national personnel; this is also carried out on a multilateral basis—along the lines of the UN international institutions.

Large-scale economic and technological cooperation of the Soviet Union and other socialist states with the developing countries has helped do away with monopoly imperialism in this sphere of international relations. This has given the developing countries real opportunities to begin their struggle for the satisfaction of their legitimate, and among them economic, interests on the world arena, which has found reflection in their fight for the establishment of a new international economic order. Such a state of affairs enrages the imperialist circles. That is why bourgeois propaganda organs spare no efforts to distort the nature of economic relations between the socialist and the developing countries so as to vilify these relations, thereby eroding them. To achieve these ends Western propaganda resorts to manipulations with facts and figures and even to blatant lies.

The malicious attacks of bourgeois apologists on the USSR's economic assistance to the young sovereign states stem from their endeavours to gloss over the critical state of the imperialist policy of "aid", striking evidence of which is the unprecedented growth of the developing countries' foreign debt which has reached, according to the latest data, the astronomical sum of \$1,000,000 million. This situation confirms the indisputable truth that Western "aid" had always been aimed not at overcoming the internal economic, and among them financial, difficulties of these countries, but at securing the strategic objective of imperialism, that is to keep the developing world in the orbit of capitalism and intensify its exploitation.

The attempts of bourgeois propaganda to falsify the principles underlying economic cooperation between the socialist countries and those of Asia, Africa and Latin America are extremely diverse. For instance, on the one hand, it offers incomplete and odd data on the socialist countries' loans to the developing countries, and on the other, cites "huge" sums of Western "aid" into which it does not hesitate to include private capital investments. This allows it to draw allegedly objective conclusions on the insignificance of the socialist countries' economic assistance to these states. All this runs counter to the actual state of affairs.

At present the USSR has intergovernment agreements on economic and technological cooperation with 82 countries (including socialist countries). It has rendered assistance in the building of over 3,000 industrial facilities, electric power stations, hydroengineering, agricultural and other national economic projects, already in operation, and has commitments for the building of another 1,660 facilities. It has also helped train over 2 million specialists and skilled workers for the most diverse industries. Agreements with 70 developing countries envisage Soviet cooperation in the building of more than 3,200 national economic facilities (over 1,900 have been put into operation). Speaking of the USSR's participation in rendering economic assistance to the developing countries during his visit to France last October, Mikhail Gorbachev was fully justified in underlining that the "Soviet Union does not neglect this duty and is doing even more in this respect than many other countries".

While widely advertising the allegedly easy terms of the Western countries' "official aid" to the developing countries, bourgeois propaganda harps on the "unbearable" terms of Soviet credits and the "burden" of their debt to the socialist countries. Figures, however, once again show an entirely different state of affairs. In its reports the International Bank for Reconstruction and Development (IBRD) makes use of a synthetic index known as the grant element which is used as a gauge of development assistance to other countries (the higher the per cent of the grant element, the more favourable are the terms of crediting). The terms under which the developing countries receive financial means on loans and credits from Western states have recently grown harsher. IBRD experts have calculated that the average grant element level on their loan capital

dropped from 37 per cent in 1970 to 11 per cent in 1980. For the countries of Tropical Africa it dropped from 46 to 31 per cent in the 1970s. The calculations with regard to Soviet credits granted to African countries show the fluctuation of the great element between 38 and 58 per cent, evidence of the more favourable terms of Soviet economic assistance as against those of Western "aid."

In the West a misleading interpretation is given to the fact that loans from socialist countries can be repaid not only in hard currency but also by deliveries of traditional exports goods, or by part of the produce manufactured at the jointly built facilities. The absurd conclusion is drawn that socialist countries use their economic relations with the developing countries to satisfy above all their own internal requirements. Yet, the developing countries find it exceedingly profitable to pay off their debts by means of export goods thus ensuring a stable long-term market for their national industries, which is an important factor in view of the rough competition on the world capitalist market.

These bourgeois propaganda ploys are unable to discredit the noble principles of the USSR's economic cooperation with the developing countries, which know by their own experience the fruitful results of this cooperation which they seek to keep up and develop. Evidence of this are the new intergovernment agreements and other documents signed by the Soviet Union and the developing states for the further development of their economic and technological cooperation. During the visit of Indian Prime Minister Rajiv Gandhi to the USSR in May 1985 two significant agreements were signed which map out the guidelines and the major spheres of long-term cooperation.

The October 1985 official visit by Muammar Gaddafi, the leader of the Libyan revolution, resulted in the signing of the Long-Term Programme for Economic, Scientific, Technological and Commercial Cooperation Between the USSR and Libya up to the year 2000 and the longer term which mapped out guidelines for cooperation between the two countries. In 1985 new major agreements were also signed on economic and technological cooperation with Afghanistan, Algeria, Syria, Iraq, Zimbabwe and several other countries.

The further growth of the Soviet Union's economic potential envisaged in the documents of the 27th CPSU Congress provide an additional base for extending and intensifying its cooperation with the developing countries.

/8309

CSO: 1812/123

THIRD WORLD ISSUES

INFLUENCE OF U.S., WESTERN NEWS AGENCIES, MEDIA ASSAILED

Moscow MOSKOVSKAYA PRAVDA in Russian 30 Apr 86 p 4

[Article by V. Nikhin: "Through the 'Crooked Mirror'"]

[Excerpt] Reading the Egyptian newspapers AL-AHRAI, AL-JUMHURIYAH, AL-AKHBAR or EGYPTIAN GAZETTE, one is struck by how much of their content is from western information agencies or reprinted from newspapers and magazines of the U.S., England, France, the FRG and other imperialist states. However, there is nothing surprising about this, for this picture is characteristic for the press of many countries of the "third world". Today there exists first of all a colossal disproportion in the saturation of developing and developed states with modern means of mass information. Thus, up to this time, 40 countries of the world do not have their own telegraph agencies or television. In the developed countries there are almost three times as many radio stations than in Asia, Africa and Latin America, where a third of the world's population lives. In dozens of countries one copy of a newspaper serves 50 people and one television--for 100. And within the boundaries of those continents and certain other countries the means of information are even more unequally distributed.

No less crucial is the question of whose and what kind of information is being disseminated along these channels. The situation here is that the overwhelming majority of the states of Asia, Africa and Latin America do not have outside of their boundaries their own correspondents and modern technical communication systems. As a result, practically all the information received and sent by them goes through the ideological sieve of the telegraph agencies of the imperialist countries, first of all through AP, UPI, REUTER and FRANCE PRESSE. These four "giants" alone disseminate information in the volume of almost 34 million words a day.

Of course, the chief of the international services department of the American agency AP went too far when he stated that "more than a billion people form their opinions about international events according to material from the Associated Press." Far from everyone believes the information of this and other western agencies and even forms an opinion based on it. None the less, the pages of the newspapers and magazines of developing countries are actually under constant bombardment of the "big four".

Significant information about this, for example, was presented at a seminar in Dacca, organized by the press institute of Bangladesh. The employees of this institute analyzed according to which sources the press of Burma, Pakistan, Bangladesh, Sri Lanka and Nepal explained international events. This analysis showed that only one fifth of the international information published in this region comes from local agencies. From 80 to 90 percent of international information which appears, for example, in the periodical publications of Sri Lanka comes from such agencies as Associated Press, UPI, REUTER and FRANCE PRESSE. The figures for Bangladesh and Pakistan are accordingly 65 and 55 percent. It is completely natural that such an imbalance in informational sources distorts the reader's picture of the surrounding world. He also does not suspect that he frequently has to look at events through the crooked mirror of western propaganda.

Materials from American sources, for example, in every way possible justify the dangerous military preparations of the U.S., the criminal policy of international terrorism carried out by Washington, attack the peace-loving course of the USSR and other socialist countries and the national-liberation movements; in every way possible they disparage the achievements of the world of socialism and the developing countries. The western "word monopolies" and the publications they issue crudely distort the essence of many international problems in the interests of the imperialist states and make open apologetics for capitalism, etc.

It is completely natural that the developing countries are trying to liberate themselves from the informational path of the West and some things are being done in this direction. Thus, for example, a pool of information agencies of the non-aligned states has been in operation for several years. It sees as one of its main tasks the close coordination of efforts of the information agencies of the non-aligned countries with the socialist countries to counter the ideological and cultural penetrations of the West.

Recently a conference of the Afro-Asian People's Solidarity Organization (AAPSO) on a new informational order took place in the capital of Afghanistan in which representatives of more than 50 delegations from various countries as well as eight international organizations took part. The conference looked at the questions of further activization of the struggle with the informational dominance of imperialism in the developing countries, on preparation of cadres for means of mass information in the young states and on cooperation of national and regional information agencies with democratic international organizations. The conference participants decisively called for strengthening counteractions against the subversive activities of imperialism of the U.S. and its allies both in the international arena as well as in the airwaves and in other means of mass information.

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THIRD WORLD ISSUES

TASS CITES PAMPHLET ON CEMA AID TO AFRICA

LD191358 Moscow TASS International Service in Russian 0928 GMT 19 May 86

[Text] Moscow, 19 May (TASS)--The CEMA member-countries have given and are giving economic and technical assistance to some 50 African countries. Almost 1,800 facilities have been built and put into operation on the African Continent with the participation of states from the socialist community. The volume of assistance to African states from 1961 to 1984 increased by approximately 50 times. Currently, it accounts for about 40 percent of the overall volume of the economic and technical assistance given by the CEMA member-countries to developing states.

These facts are cited in the pamphlet "The CEMA and Africa" [SEV i Afrika] which has been put out in Moscow by the CEMA secretariat.

The pamphlet indicates that for the payment of the assistance given, the CEMA member-countries give developing countries long-term credits on favorable terms, normally for 12-15 years, at an annual rate of 2.5 to 3 percent. The credits are paid off mainly by deliveries of traditional export goods or production from a constructed enterprise.

The enterprises that have been built with the CEMA member-countries' assistance in the state sector of many African countries turn out a significant, and sometimes a vast part of the production of the branches of their national industry, the pamphlet notes. This is, for example, 80 percent of electrical power generation in Algeria, 95 percent of ferrous metallurgy production in the Arab Republic of Egypt, and 100 percent of the production of petroleum products and vehicle tires in Ethiopia.

In cooperation with the CEMA member-countries, over 130 scientific establishments, higher and secondary special education institutions, teaching centers and professional-technical colleges, in which several hundreds of thousands of specialists have been trained, have been built in developing African states. The overall number of students, specialists, and workers from developing African countries who have received or are receiving some form of professional training in CEMA member-countries exceeds 100,000, the pamphlet says.

/8918
CSO: 1825/76

19 June 1986

GENERAL ECONOMIC AFFAIRS

SMELYAKOV ON FOREIGN TRADE PROSPECTS

Moscow NOVYY MIR in Russian No 3, Mar 86 pp 183-199

[Article by Nikolay Smelyakov, USSR deputy minister of foreign trade and holder of the Lenin Prize: "On the Foreign Market"]

[Text] 1

Just think what epithets have been applied to the 20th century, which is now coming to a close! But really to be fair, in my opinion, we should call it the century of the scientific-technical revolution.

Machines with new operating principles and original new industrial processes have emerged. Nuclear power has been developing at a very fast pace, methods of fuel economy have been undergoing refinement, materials with new properties and materials which reduce machine weight and lower production costs are being developed and produced. I would include the Green Revolution among the lines of present-day scientific-technical progress. A noticeable increase in yields, especially for grain, has been achieved in a number of countries, and new varieties of wheat, rice, corn, and other cereals have been introduced with improved characteristics. In the mid-eighties a computerized system of soil diagnosis made its appearance. It was developed by Soviet scientists jointly with the Finnish firm "Kone." The system makes it possible to perform more than 250,000 soil analyses a year, it determines more than 8 chemical indicators (content of nitrogen, phosphorus, calcium, magnesium, sodium, etc.) to within 5-percent accuracy.

The technology and equipment have been created to produce petroleum and gas from the seabed. Three decades ago only the United States and Venezuela were drilling for petroleum and gas offshore. In addition to the USSR, this is now being done by Great Britain, Norway, Mexico, Brazil, Indonesia, Canada, India, Greece, Turkey, the Chinese People's Republic, Singapore, Malaysia, Thailand, the Philippines, and others--120 countries. Extraordinary equipment has been devised which makes it possible to organize the production of petroleum and gas in immense volumes.

A present-day drilling platform can be compared with a large ocean liner on the basis of its complexity, the diversity of its equipment, and its plethora of devices of all kinds.

Custom-made machine tools have been built for nuclear power machinebuilding, for the aerospace industry, to machine laser mirrors and metal-coated mirrors, magnetic disks, video disks, and so on. There are now machine tools accurate to within 0.02-0.05 mm; they were exhibited at an international exhibition in Japan in November 1984 by the firms "Toyota" and "Toshiba." The principal efforts in the near future are expected to be directed toward producing machine tools accurate to within 0.005 mm.... In the port of Yokohama a couple of kids are playing a game, communicating with portable video cameras. Operators dressed in white in a semiconductor plant on the island of Kuyuti go through a cleansing air chamber before they take up their work stations at machines feeding the microscopic filaments of electronic connections to a computer circuit the size of a thumbnail. In Osaka chemists are close to completion of their latest invention--artificial blood. In carefully guarded laboratories located all over the country Japanese engineers are working hard on new generations of intellectual robots, which will be able to see, to feel, and even to understand the work the program assigns them....

The scientific-technical revolution could not but have altered the international market to a considerable degree.

The Soviet Union takes an active part in foreign economic relations and consequently in the international division of labor. I will illustrate this with some figures. The physical volume of the USSR's foreign trade grew 13.3-fold over the period 1951-1981, while the gross social product in comparable prices increased 8.9-fold over the same period. The average annual growth of foreign trade turnover in prices of the respective years has been 15.6 percent over the last decade. In 1985 the foreign trade turnover reached more than 140 billion rubles.

Exports are the primary source of imports; you do not go onto the market with empty pockets. That is why every country wants to have an export potential of an adequate size. What this means is the economy's ability to produce the necessary quantity of competitive goods, the totality of the country's developed national resources, and economic and production capabilities, the existence of the appropriate infrastructure, well-trained personnel, and the ability to adapt not only particular goods, but also the pattern of output to the requirements of the market.

In the Soviet Union a solid export potential has been created: Sizable capacities have been created in the extractive and manufacturing industries, in agriculture and the timber and lumber industry, and in transportation. Science and technology have experienced important development. All of this taken together has made it possible to export sizable quantities of petroleum and petroleum products, natural gas, coal, coke, timber and lumber, pig iron, ores of ferrous [sic] metals, asbestos, diamonds, platinum, and many other things. For example, the relative share of exports of petroleum and petroleum products reached 40.4 percent of the total volume of exports in 1982, while that of gas was 9.3 percent, and in value terms they were 25.3 and 5.9 billion rubles, respectively. Exports of machines, equipment, and transportation equipment have been increasing steadily: Over the period from 1971 to 1975 they amounted to 17.6 billion rubles, but over the period 1981-1984, 33.7 billion rubles.

In 1981 the Soviet Union manufactured 2.1 million trucks, automobiles, and buses as against 145,400 in 1940. As a consequence the motor vehicle industry has become the number one exporter. Over the period 1976-1980, 1.8 million automobiles alone were delivered abroad. Exports of tractors grew from 168,000 in the period 1971-1975 to 253,000 in the period 1976-1980. There has been an increase in the production and exports of a large range of consumer goods: television sets, radios, timepieces, including electronic timepieces, cameras, movie cameras, programmed washing machines, and so on. All the country's republics are taking part in our foreign trade. The volume of export deliveries for the country as a whole has doubled over the last 10 years.

Construction of main pipelines to carry petroleum and petroleum products is a splendid example. In 1960 their length was 17,300 km, while in 1983 it was 76,200. As a consequence the transport of petroleum and petroleum products was 129.9 and 648.7 million tons in the respective years. The length of main gas pipelines was 2,300 km in 1950 and 156,000 km in 1983. In 1983 the gas pipeline was built from Urengoy to the USSR western border via Pomary over a length of more than 4,600 km. The effort in the field of oil and gas pipeline facilities will continue to be vigorous, as can be seen from the draft of the Basic Directions for the Economic and Social Development of the USSR Over the Period of 1986-1990 and up to the Year 2000.

The development of exports makes it possible for us to import an ever larger quantity of goods we need. During the years of the ninth and tenth 5-year planning periods various types of industrial equipment worth more than 90 billion rubles were purchased abroad. Imports of equipment amounted to more than one-third of all the country's imports. The share of consumer goods and raw materials to produce them has also been increasing in the total volume of imports.

2

The USSR's trade as a whole is conducted on a balanced basis, but this does not mean that all difficulties have already been overcome in this most important matter.

On the international market our products encounter the products of the largest capitalist corporations, which are well-prepared for actions in the context of that market. Here a commodity's competitiveness is verified, and no one cares why the product is bad or its production costs high or is concerned about other objective difficulties which the exporter and seller may have had. A bad product simply will not be bought.

Machines whose operating principles are new and highly efficient industrial processes which are original have emerged on the world market, nuclear power has been developing rapidly, the output of energy-saving equipment is expanding, equipment capable of economical use of fuel and lubricants is being refined. A stricter approach is being taken to the evaluation of machines, equipment, household appliances, and industrial technology from the standpoint of safety and improved working conditions and so as to take into account the laws of ergonomics and environmental protection.

The obsolescence of machines and equipment and household appliances has greatly speeded up in the context of the scientific-technological revolution, which is compelling industry to quickly organize their replacement by new models that meet higher requirements. The scientific-technical revolution has stiffened competition considerably on the world market, making it uncompromising. The competitive struggle has passed as it were by a chain reaction from the sphere of the market into the sphere of production and servicing, into the sphere of scientific research. Rapid replacement of machine models is now inevitable. Any hitch in the development of science and technology and in the realization of their advances has an impact on our exports (which decrease) and imports (which increase excessively).

Given those circumstances, it is strange to see that some of our leading figures in the economy are still making frequent comparisons of the output of our machinebuilding industry to machine models that are clearly outdated, which a competitor has been manufacturing for several years now. In a number of cases this takes place in connection with certification of products to meet the superior-quality category. What is more, there have been repeated attempts by certain senior officials of ministries and departments to evade the provision of the statute on certification of products for the Quality Emblem (mainly machines and equipment) to the effect that they must be competitive, that is, must meet the world level. I recall a telephone conversation with one of the officials of the State Committee for Science and Technology.

"Why have you been defending so zealously such a concept as the competitiveness of our products?" he asked. "After all, that is a capitalist category, and we live in a socialist country, where, as is well known, there is no competition."

"It is indispensable to successful exporting of domestic goods on the international market, without which we have no business there."

"But in my opinion your demands for competitiveness distract our industry from the principal task of fulfilling the production plan, raising labor productivity, and applying new technology, and you are thereby inflicting harm, it might be said, on the economy."

"I do not agree. If a product for the domestic market is up to the level of a competitive product, I am firmly convinced that this will bring it closer to the fullest satisfaction of the requirements of Soviet customers as well."

"That is hard for me to agree with, since export products are produced according to different technical specifications than those for the domestic market."

"That is only part of the truth. The technical specifications for exports differ in only certain requirements pertaining to the product's adaptation. For example, if we are talking about machines and equipment, sometimes a tropical version is needed, electrical equipment must take into account the frequency or current voltage, and so on. As for the quality of the design and reliability--all of this must be at the same high level. After all, would it be bad, say, to have a more comfortable tractor cab not only for the external

market, but also for the domestic market? Our machine operators will be grateful. And there is more to it than that. One could cite quite a few similar examples where export requirements entirely coincide with domestic requirements."

It is sometimes said that exports are a country's calling card. To some extent this is true, but I would say that exports are the report card where the world market, which gives tough tests, enters its grades.

Much has already been done in our country on behalf of the constant growth of the export potential, but, as R. Rolland has noted, victories cannot be won once and for all, they have to be won every day. There is much to be done to develop the export capabilities of certain of our industries and enterprises, so that all the links are equally strong in the entire chain for developing the country's exports in foreign trade.

Let us return to the market for machines and equipment, which is under the strong influence of the scientific-technical revolution. The requirements which these products must meet on the world market have been rising uninterruptedly. Much that is new has been introduced in the designs of machines and into the technology for manufacturing them and into the materials and methods of designing them. This in turn makes it incumbent upon industrial production to increase its flexibility and mobility.

In 1984 there was an exhibition in Tokyo where very interesting machine tools were exhibited. The firm Mitsui Seki demonstrated a vertical multipurpose machine tool with the following characteristics: spindle rpm 20,000, maximum rate of speed 10 m/min, and the travel speed 12 m/min.

The rotating speed of the spindle of present-day milling machines and multipurpose machine tools has been increased to 40,000 and even 60,000 rpm, whereas quite recently there was enthusiasm about machine tools with 10,000 rpm. Various flexible production systems which afford a substantial economic benefit occupy a special place in world machine tool building. According to figures of the Japanese firm "Toshiba--Tangeloy," it previously had 50 machine tools, and now only 6. Operating personnel has been correspondingly reduced by 77 percent, while output has increased 4 percent, and the cost of machining has been cut in half in 2-3 years.

Reorganizations are taking place rather rapidly in large firms. In 1973 I had occasion to visit a foundry of the General Motors Automobile Co. (Sagino, Illinois [presumably, Saginaw, Michigan]). The plant had been completely restructured to a new technology, and it had been furnished new equipment. Instead of cupolas, induction furnaces, and automatic molding machines and knockout grids were widely used. Good ventilation has been installed in the shops. Labor productivity rose substantially at the plant following reconstruction, and high product quality became more stable. And everything was done, I was told by the plant superintendent, in 1 year.

I saw a still more impressive example of the transition to new technology at an automobile plant of the French firm "Renault" at Douai, which was the newest one for the time (1981).

In 1985, while attending the International Exhibition of Metalworking Equipment at Hanover (West Germany) with our machine tool builders, I had occasion to visit the automobile plant of the firm "Volkswagen" in Wolfsburg, where they assemble automobiles automatically. This was a plant I had already visited more than once. The buildings of the plant there had remained basically the same, but the equipment and technology and interior layout had undergone substantial changes. The plant had undergone radical reconstruction and was filled with the most up-to-date equipment. All the industrial processes were based on robotization, flexible production lines, program control, and improved industrial transport equipment. The old lines had been disassembled and shipped to other countries where the firm's subsidiaries are located, to Brazil, for example. The shop where the automatic automobile assembly took place was extraordinary; it was saturated to the maximum with original machinery and robots; you could not see the sky, as they say, for the mechanical devices. Automating assembly made it necessary to alter body design, mounting hardware, the sequence of assembly operations, and many other things. Parts also had to be manufactured to closer tolerances.

I have had repeated occasions to visit many motor vehicle plants, and I have had an opportunity in particular to observe the operation of robots. When you are left alone surrounded by these hissing machines in uninterrupted movement, when you see not a living soul anywhere around, it really is eerie.

It is as though you are on another planet, as though you have suddenly found yourself in the company of strange monsters. The robots take no smoke breaks, they do not wander off to the toilet, they do not tell one another stories, they do not make trips to the toolroom, nor do they stand there in line. They do the work assigned them the whole time in a strictly established regime, guaranteeing the necessary quality of the workpieces, and they are always sober. Thanks to minicomputers the robots possess an enviable flexibility, affording economic efficiency even in short production runs and when frequent model changes are made, regardless of the size of the enterprise. Robots are performing an ever broader range of functions, including assembly, spray painting, welding, casting, finishing, loading and unloading, stacking, inspection, glassmaking, and many other things.

We find ourselves today on the eve of a new wave in the refinement of robots. They are beginning to build optical systems into them so that the robot will have "eyes," and research is being done to "force" the robot to perform commands given verbally.... Behind all these advances stands a robust present-day science and technology.

Our domestic machinebuilding industry is still not sufficiently prepared to meet all the requirements of the present-day world market. There is a deficit in the trade balance for machines and equipment; that is, imports of machines and equipment exceed exports. I would note in this connection that what is purchased is not always put to the best use. This was mentioned in a report delivered at the conference held at the headquarters of the CPSU Central Committee on 11 June of last year. Having emphasized that "in our import policy we should make effective use of the opportunity of mutually beneficial international division of labor," M.S. Gorbachev also said: "Since we will continue

tions, I would like to single out a problem which is disturbing us. It has to do with the utilization of machines and equipment acquired on the world market. This is not a new problem, but still there has been no substantial improvement. Things are not thought through when the purchases are planned; sometimes they are not interrelated to plans for capital construction. Ministries and departments, which fervently defend their requests for acquisition of imported equipment, do not pay due attention to construction projects where plants are being built based on imported equipment."

Exports of machines and equipment to the highly advanced capitalist countries comprise only about 4 percent, whereas all exports to those countries amount to about 30 percent of the Soviet Union's total exports. The volume and composition, quality and technological level of our machinebuilding have not always been able to guarantee a growth of exports to those countries. Even during the period of the 10th and 11th Five-Year Plans the development of exports of machines and equipment came up against the limited nature of the export capability. The report presented at the conference in the CPSU Central Committee last June pointed out straightforwardly: "Our exports of machines and equipment have been growing slowly in recent years. This has to do both with low competitiveness and also the insufficient financial motivation of industrial enterprises."

I will illustrate the state of affairs with examples from a number of industries.

For 2 decades the automotive industry has been talking about dieselization of trucks and automobiles, but until recently they did nothing essential to reorganize the immense production operation producing carburetor engines. Today the relative share of trucks equipped with a diesel engine, including the Kama Motor Vehicle Plant, does not exceed 23 percent, for buses it is 1 percent, and at present there are no vans or automobiles with diesel engines at all. On the external market at the present time trucks and sizable quantities of automobiles are being sold with diesel engines.

How did the automotive industry intend to solve the problem? In the traditional way, by building new enterprises, and, as usual, with a substantial purchase of imported equipment. Of course, new plants need to be built in order to take the future into account, but we also cannot forget about reconstruction of plants manufacturing gasoline engines and about the possibilities of manufacturing our own domestic equipment.

A diesel engine uses 25-30 percent less fuel than a gasoline engine; as a rule diesel fuel is cheaper. Trucks with a diesel engine increase the running life before major overhaul (figures for the seventies) to 400,000-500,000 km (this figure for trucks with a gasoline engine is 250,000-300,000 km). Diesel fuel is also less toxic: The exhaust gases of diesel engines contain less carbon monoxide and hydrocarbons (3 percent) than gasoline engines (20 percent). The draft of the Basic Directions for the Economic and Social Development of the USSR Over the Period of 1986-1990 and up to the Year 2000 call for increasing the relative share of diesel trucks to 40-50 percent of the total output and

Were we to convert about 65 percent of all the trucks produced and 20 percent of the automobiles to a diesel engine, we could save approximately 10 million tons of fuel a year, which in 1984 petroleum prices would amount to \$1.6 billion.

The composition of the output of trucks also deserves attention. World output of these vehicles has an altogether clear orientation with respect to payload: 75 percent of the output have a payload less than 2 tons; 20 percent are between 2 and 8 tons; and 5 percent exceed 8 tons. All trucks have a large number of model variations and special versions for a variety of purposes and sets of trailers. But in our country the share of trucks with a payload under 2 tons is negligible: Between one-fifth and one-seventh of what it is in the highly advanced capitalist countries. Production of a complete line of trucks will afford the possibility of increasing exports of this important product and will make it possible to avoid excessive costs in our own economy. It is well known, for example, that hauling a load of 1.5 tons in trucks which have a capacity of 2.5 tons increases the shipping cost 15 percent. A truck with a small payload will make it possible to make available a sizable number of drivers, since in the judgment of specialists 30-50 percent of these trucks would be operated by drivers who would combine their own occupation with the duties of forwarders, warehousemen, receiving clerks, mailmen, and the like. That is how it is done in a number of foreign countries.

The situation with roadbuilding machines is similar. For example, the share of excavators with a bucket capacity of 0.15-0.65 m³ should be about 35 percent according to the recommendations of specialists, but actually it represents 96 percent. The share of bulldozers with an engine capacity of 260-630 HP should be 29 percent according to those same recommendations, and those with an engine capacity between 631 and 2,500 HP should be 6 percent. In actuality we have no machines with an engine capacity greater than 300 HP at all.

Another example. For many years in our country the output of metal-cutting machine tools has been increasing regularly. But this has not brought about a substantial rise of labor productivity in machinebuilding. The excessive number of low-output machine tools has only hindered the introduction of up-to-date machine tools with high productivity and greater accuracy, which, I emphasize by the way, also require fewer workers.

The latter circumstance has particular importance under present-day conditions. In 1969 there were 75 machine tool operators in the machinebuilding and metal-manufacturing industry for every 100 machine tools, in 1975 there were 61, and in 1979, 53. Even at the largest and best-organized enterprises in the machinebuilding industry there were only 80 operators for every 100 machine tools. But now in the entire national economy there are 26 percent more lathes than lathe operators, 1.65-fold more milling machines than milling machine operators.

At the beginning of the eighties our machine tool and tool industry was manufacturing machine tools that met present-day requirements. Licenses were purchased, project plans were drawn up, but bottlenecks arose in the fields of electrical equipment, electronics, software, and so on. In recent years the CPSU Central Committee and USSR Council of Ministers, it was said at the June conference in the CPSU Central Committee on the problems of speeding up scientific-technical progress, "have taken a number of major decisions concerning such key directions for the development of machinebuilding as flexible computerized production operations, rotary and combined rotary and conveyor-belt production lines, the development, manufacture, and application of computers in the economy, and computer-aided design systems. They are aimed at creation of new manufacturing processes, including automated plants using what is referred to as unmanned technology. A sound foundation is thereby being laid for a powerful upsurge of Soviet machinebuilding as the basis for retooling the economy. This is the principal direction in our development, and it needs to be given firm support now and in the future."

Performance of this program will to a considerable degree help to increase the competitiveness of the products of our machinebuilding on the world market. The priority development of machine tool building, computers, instrumentmaking, and the electrical equipment and electronics industry is also referred to in the draft of the Basic Directions for the Economic and Social Development of the USSR Over the Period of 1986-1990 and up to the Year 2000.

The operation of a most important branch--ferrous metallurgy--lies at the foundation of our economic growth and therefore of the country's export potential as well. Has all the potential for growth been tapped? Unfortunately not. Outdated steel-manufacturing technology is still being applied in metallurgy; it is based on open-hearth furnaces with low productivity, whereas progressive melting methods based mainly on oxygen converters and electric furnaces have long been well known.

Some time back officials of the Ministry of Ferrous Metallurgy called upon a foreign trade organization to prepare a study on how the repair of open-hearth furnaces was organized abroad. The commission was accepted. The material of interest to our metallurgists was obtained: It was sent by all countries except Japan. Japanese metallurgists replied that they could not send material on repair of open-hearth furnaces for the simple reason that they had not had any open-hearth furnaces for a long time; they had been replaced by oxygen converters (80 percent) and electric furnaces (20 percent).

In 1984 approximately 60 percent of the steel in capitalist countries was made in oxygen converters. In recent years the use of a combined blast in the upper and lower parts of the converter has been the principal direction for development of converter technology. The methods of supplying the combined blast to converters have been developed in various countries and successfully

applied for several years now. Meanwhile our metallurgists continue to build open-hearth furnaces, the last of which went into operation in 1970. When they should have been concentrating all efforts and resources on creating up-to-date equipment. I should emphasize in this connection that our metallurgists have an excellent mastery of the technology of making steel in converters.

The same thing has happened with continuous steel casting with a machine that was first built on an industrial scale in our country. The efficiency of this process affords a 10-percent larger yield of good metal, energy consumption is reduced, manpower is saved, and working conditions are improved radically. In 1984 the relative share of continuous casting in the total volume of steelmaking averaged approximately 40-45 percent in the capitalist countries. In 1982 this figure was 80 percent in Japan, 50 percent in the countries of Western Europe (including 59.5 percent in France and 34 percent in Great Britain), and 30 percent of all the steel made in the United States. The Japanese company "Kawasaki Steel" brought that figure up to 93.4 percent in 1982-1983, and up to 96 percent at its steel plant in Mishima. Quite soon at that plant they expect to cast 100 percent of the steel on continuous pig casting machines. In Finland, where Soviet continuous pig casting machines have been installed, the share of steel cast with them is approximately 96 percent. In the words of one of the managers of the American firm "U.S. Steel Corp.," by 1990, 75 percent of all American steel will be manufactured by continuous casting.

The very rapid development of continuous steel casting technology is continuing thanks to its extremely high economic efficiency. Various refinements have made it possible to increase the speed of steel casting with these machines and to achieve a yield as high as 96-97 percent good metal. Even that is not the limit. Further development will take place thanks to combination of continuous pig casting machines with rolling mills--which is referred to as direct rolling: combining into one machine units that make it possible to obtain pigs of different sizes, installing double and triple molds, using horizontal casting, possibility for casting high-alloy and stainless grades of steel, and many other things.

In direct rolling slabs are fed obtained from continuous casting while they are still hot, so that this is hot loading. This reduces the time interval from production of the steel to its rolling from 140 hours (with cold loading) to 6 hours, and the direct rolling itself to 1.5 hours, i.e., to almost one-hundredth. Direct rolling offers reduction of energy consumption to heat the slabs of 85-90 percent over ordinary rolling.

We have here an authentic revolution in technology. That was in fact the assessment given of direct rolling at the third national conference in Austria (April 1984), which was devoted to the problems of continuous steel casting.

Beginning in 1983 the U.S. steel industry has seen a reduction in productive capacity. Nevertheless, a number of the largest firms have been modernizing and replacing equipment. This also applies to continuous steel casting. Armco Steel has completed construction at its plant in Ashland of a six-strand continuous pig casting machine which will have an output of 660,000 tons of blooms and slabs which were previously rolled on large rolling mills.

Unfortunately, in 1983 only 12.1 percent of our steel was cast continuously, although the installed capacity would make it possible to substantially increase this figure. It is gratifying that in 1983 capacity of continuous pig casting machines in the USSR was more than threefold greater than in 1972, and a further use of this method on a larger scale is planned.

In many industrially advanced countries immense "deposits" of scrap metal have built up. According to English data, it amounts to 5-6 million tons within the leading capitalist countries alone. How is all this to be processed? In the sixties mini enterprises emerged for melting and rolling steel which operated only on steel scrap and showed splendid results--they made it possible to avoid immense capital investments involved in mining the ore and producing the pig iron and coke.

For a long time our metallurgists considered it unnecessary to build mini metallurgical plants. At the beginning of the eighties a decision was nevertheless made to build three such enterprises. One of them--in Belorussia--is already operating successfully (it was built in 2 years and immediately went up to rated capacity).

On the present market there is a considerably greater demand for mini excavators, minitractors, mini power plants, minicomputers, minicomponents, minicircuits, and other mini products. At the end of the seventies, for example, we had begun to receive offers to buy mini hydropower stations from Austria, Greece, France, Brazil, Finland, Argentina, India, New Zealand, and other countries. But our industry was unable to respond to those requests of the international market within the time required. The draft of the Basic Directions for the Economic and Social Development of the USSR Over the Period of 1986-1990 and up to the Year 2000 has noted the advisability of combining plants of different size, large and small.

3

In the context of the scientific-technical revolution, as economic competition becomes fiercer among the capitalist states, R&D has taken on particular importance as the effective means of increasing the competitiveness of industrial products and as a consequence of expansion of the export capabilities and a strengthening of the foundations of the export potential. Ever greater resources are being spent every year for these purposes in many countries. The largest amounts are allocated for science-intensive products, whose share in exports has been growing without interruption. This points R&D in the direction of the needs of the market. The new element in R&D, according to the assessment of specialists, is the work being done on objective-oriented comprehensive programs to stimulate production and export of certain industrial products which as a rule are science-intensive. Government subsidization of private firms in accordance with those programs is not limited to the stage of scientific research. Resources are also allocated for market research, for finishing, testing, and applying the product in production, and for its sales.

More than 170 comprehensive scientific-technical programs covering the main lines of socialist construction over the long run are drafted in the Soviet

Union. But from the standpoint of foreign trade these programs have one undesirable feature: They are drawn up without sufficient attention being paid to the question of sales and technical servicing.

Technical servicing is a most important element of the export potential; it needs constant attention, especially on the part of manufacturers of machines and sales organizations. The technical servicing of products in the class of machines and equipment is indispensable everywhere regardless of the country and regardless of the social system. It covers the entire service life of the machine, which is an exceedingly complicated problem for the economy and for exports of machines.

According to figures of Minvneshtorg, as of 1 January 1984 deliveries abroad from the Soviet Union were as follows: motor vehicles (automobiles, trucks, and buses taken together)--4.6 million, airplanes and helicopters--2,570, tractors--550,000, grain combines--80,000, metalworking equipment--274,000 units, excavators--about 41,000, diesel road locomotives--more than 4,300, electric motors--1.9 million, ships and navigation equipment--2,000, electronic computers--more than 1,700 units, photographic cameras and movie cameras--7.7 million units, timepieces--140 million, television sets--more than 9 million, and radios--13 million. This virtual armada of machines and devices in the hands of the customer generates the need for an enormous number of replacement parts and improved forms of servicing.

Soviet foreign trade organizations have joined industry in creating an extensive network of service departments abroad. In the capitalist countries this network functions with the help of trade agents as well as by creating joint stock companies in the business of selling the machines and equipment delivered from the Soviet Union. At the present time there are 30 such stock companies operating abroad and covering the principal export goods: motor vehicles, tractors and agricultural machines, metalworking and electrical equipment, consumer goods (timepieces, television sets, photographic and movie cameras, radios, and the like). These Soviet firms, which are located in England, Sweden, Finland, Belgium, France, Norway, Italy, Canada, West Germany, the United States, Australia, and Denmark, have quite a good knowledge of the market for machines, and conduct their business competently.

Soviet technical centers whose responsibility it is to see to the organization of servicing have been organized in the CEMA countries. Good specialists, mainly engineers who have studied in the Foreign Trade Academy or in specialized courses, have been engaged to work in the foreign trade associations and Minvneshtorg.

Still the state of servicing of machines and equipment which have been exported leaves something to be desired.

Many of our managers at machinebuilding enterprises are continuing as before to give priority to the finished machine and pay little attention to replacement parts which is something this business requires. When deliveries of replacement parts for motor vehicles, refrigerators, radios, and the like are not prompt, our trading partners quite often are resentful of us, and there is

occasion for statements of a political nature against cooperation with our country.

Broader use should be made of the international experience in technical servicing and of the main principles of organizing it. On the basis of experience in the world these principles are as follows: the manufacturer services what he makes; replacement parts are delivered so long as even one machine is still in service; complete satisfaction of the customer's demands as to the list of products, the number, and delivery dates from whatever source all the way to taking the missing replacement parts and assemblies straight from the main assembly line; whoever manufactures products under the heading of machines and equipment is the one that bears primary and principal responsibility to the customer, and he is also responsible for all aspects of technical servicing.

This system makes it possible to set up a two-way relationship between the customer and the plant. As a result the enterprise receives full information about the quality of the machine, is able to take timely steps to perfect the design and technology. As for exports of machines and equipment, the sale of replacement parts is the most lucrative part of it. Here cost effectiveness averages 1.6-fold greater than when the machines and equipment themselves are delivered. The sphere of technical servicing is an additional sector of the machinebuilding market capable of becoming a source of additional income. But unfortunately spare parts for machines remain an "area all to itself" for many of our executives in the economy.

4

In the context of the scientific-technical revolution international trade in scientific-technical know-how has assumed immense importance. Business circles of the capitalist countries were the first to understand that their know-how, even when it is very extensive, is inevitably one-sided to some degree. This means that one needs to enrich it, as it were, to fertilize it, with the experience of others. It thus has been many years now since the world market was built up for trade in scientific-technical and production know-how.

In 1982 the volume of payments for licenses in the world exceeded \$15 billion. The volume of output under licenses is estimated to total about \$300 billion, and at present 115 countries are leasing the know-how of others (licenses). The purchase of licenses has become an important means of solving major technological problems, of speeding up scientific-technical progress, and of establishing smooth scientific-technical relations among states--including those with different social systems.

The broad scale of the borrowing and transfer of know-how that exists among countries indicates the erroneousness of that point of view to the effect that imports of license indicate the technical backwardness of the purchasing country and detract from his prestige, while exports of licenses raise one to an honorary pedestal. World trade statistics on licenses indicate that charges to purchase them considerably exceed the proceeds from sale in such countries as West Germany, Italy, France, Japan, Holland, Sweden, and other countries

which have a highly developed industry. Only in the United States and Great Britain are the proceeds from the sale of licenses larger than the payments.

The trade in scientific-technical know-how is one of the most promising phenomena in the era of the scientific-technical revolution.

Imports of foreign scientific-technical know-how on the basis of a license affords industry the possibility of saving time and resources in solving urgent problems, of solving these problems at a high technical level, and of taking this know-how as a good basis for further creative work. It is important to reduce time intervals in application of technology acquired. According to the data of American economists, obtained on the basis of a survey of 44 of the largest U.S. corporations, the time that passes from application of a new technology at American enterprises until commencement of its use in other countries is becoming steadily shorter. Over the period 1971-1976 it was one-third of what it had been in the period 1945-1950.

Japan has been borrowing the know-how of other countries effectively. This fact increases the competitiveness of Japanese goods quite often at the expense of the firms from which the licenses were purchased.

Japanese superiority in such industries as motor vehicles, steel, radio, and television sets is an indisputable fact. The reason for this lies to a considerable extent in the use of advanced foreign technology. It is well known from the press that certain Japanese firms resorted even to illegal purchases of secrets. For example, a group of businessmen were discovered trying to purchase on order from "Hitachi" and "Mitsubishi Electric" secrets which had been stolen from the American firm IBM. American firms hate any Japanese export to the United States, all the way from automobiles to semiconductors. A number of capitalist countries are also feeding antagonistic feelings toward the Japanese. In the West European capitalist countries they say that if the Japanese do not begin to play by the rules of fair trade, their attempts to conquer the market will stall. But this caution does not carry real weight. The Japanese have already captured the market for many types of science-intensive products and technologies.

As is well known, certain forms of industrial espionage take place even today in the capitalist world. In the opinion of certain foreign specialists, Japan is the most vivid example in this respect.

Quite a few steps are being taken against the free and unlawful use of scientific-technical know-how: For example, when motor vehicles are being tested, especially the new models, the testing grounds are strictly guarded. The same thing happens in testing airplanes, ships, and the like. At a number of foreign plants we have had occasion to visit it is not uncommon to see at the door placards in which a picture of a camera is crossed out with heavy bright red lines. This means a categorical ban on taking pictures.

I asked my host at one of the enterprises:

"Why is that precaution posted?"

He smiled and said:

"Japanese specialists are visiting us tomorrow."

The desire of the Japanese to penetrate the laboratories of American universities has recently become known. Taking advantage of the fact that many U.S. universities are in need of financing for scientific research, Japanese firms provide them substantial resources in exchange of developments.

According to the magazine BUSINESS WEEK, the largest Japanese competitor of American companies is the corporation "Toshiba," which invested \$5 million in a research program in the field of electronics at the University of Arizona and received in exchange an option to buy licenses for any technology which might be developed within the framework of that program. The Japanese firms "Mitsui," "Toyota," "Sony," "Nippon Telegraph and Telephone," and others operate similarly; each of them is financing a research program at at least one American university. These Japanese companies are taking direct part in research in practically all fields of technology, beginning with the creation of up-to-date computers at Stanford University and ending with the design of a diesel engine at Princeton University.

"The Japanese lack capabilities for conducting basic research. Through international cooperation they can make up for that deficiency," says Hiroshi Morikawa, head of the department for science and technology of the Japanese Federation of Economic Organizations.

Japanese firms have been showing particular interest in ceramics, electronics, laser technology, biotechnology, and medicines.

The Massachusetts Institute of Technology is now receiving such large sums from Japan that it has created the position of an assistant director who manages the interest-free loans of the Japanese. This university has opened its own branch office in Tokyo. Out of the 297 companies participating in this institute's program 45 are Japanese. They include such well-known corporations as "Canon," "Mitsui," "Hitachi," and "Nippon Electric." Japanese companies have made grants of \$1 million to each of nine departments conducting research in the fields of ceramics, communications, and production management.

In 1983 more than 14,000 Japanese were studying in the United States, almost 30 percent of them doing graduate work.

The firm course of the Country of the Rising Sun to import foreign know-how has already altered the face of the Japanese economy to a large extent. Success on the world market, which is now filled with Japanese goods, is indicative of the successful application of that know-how.

The Soviet Union began to engage in the purchasing and selling of licenses comparatively recently, and this business has been expanding, although not as rapidly as one would like. The barrier represented by a failure to fully understand the importance of licensing has not been overcome everywhere, and certain other deficiencies still persist in this important area.

The decisions of the party and government turn us toward taking advantage of foreign science and technology. The main issues have now been resolved in financing the purchase of licenses and their application. The procedure has been defined for preparing the sale and purchase of licenses.

This business has come to be more or less planned in nature. Some of the licenses for technology are acquired together with a set of equipment. Enterprise management has created units which concern themselves with patent affairs and licensing. Changes have been notable, and in our opinion there has been increased understanding of the importance of the trade in scientific-technical know-how and of its role in the country's economic mechanism.

The specialized foreign trade association Litsenzintorg has been created; its duties include carrying on the business of importing and exporting licenses and "know-how" (Footnote) ("Technology," colloquial) in contact with industry, planning authorities, the State Committee for Science and Technology, the Committee for Inventions, and other organizations.

There were oddities even in this. I will tell about one of them.

After the collegium of Minvneshtorg discussed this problem and cleared its recommendations with the interested organizations, we considered it advisable to address the government. A report and corresponding draft of a decree were prepared. As is the custom, it remained to obtain signatures from the organizations involved in this effort. Finally all the signatures were gathered except the USSR Ministry of Finance, but without it it naturally made no sense to send the draft to the government. I had occasion more than once to visit that esteemed institution, whose personnel acted as though they were the only ones who had a thorough knowledge of all aspects of the trade in scientific-technical know-how. I remember well the conversations with the deputy USSR minister of finance in his small office. That was back in the mid-sixties.

The first meeting was like battle reconnaissance.

"You have received from us," I said, "drafts of a letter to the USSR Council of Ministers and of a decree on organizing a specialized all-union association which would be concerned with purchasing and selling licenses, studying the market, and so on--Litsenzintorg. I would like you to grant your consent and initial the draft decree. The rationale has been given in our report. All the signatures of interested organizations have been obtained. If you have questions, I am ready to respond to them."

My host pulled out a sheet of paper, read, looked at me once again, and finally replied:

"In our opinion your arguments for organizing the association are unconvincing. Licenses for scientific-technical know-how are a commodity like any other. You have quite enough commercial people already, even too many, you have the people to assign this work to."

"What you say is true, that licenses are a commodity; they can be bought and sold. Nevertheless, this commodity has a definite specific feature. The person conducting the commercial transactions must know its peculiarities. You cannot assign the buying and selling of petroleum and radios, timber and hydraulic turbines, diamonds and excavators, tractors and timepieces, instruments and rolling mills, fertilizers and conductors' batons, to one and the same person."

"We will get along without conductors' batons."

"Agreed. We will get along without batons. But we cannot get along without a specialized organization, since the license has its own characteristics as a commodity, its own peculiarities, it has its own world market, methods of promotion, patent procedure, and so on. We are not talking only about purchases, but also about selling licenses for foreign currency. The revenues could reach appreciable proportions, not to mention the benefit of acquiring foreign scientific-technical know-how in the economy."

"What opportunities do we have for selling licenses? Where are we to get the resources for selling them? The domestic industry is hardly able at the present time to furnish such a commodity for export. Purchases require money and the ability to quickly apply the technology purchased. I suggest that your proposal is premature."

"But we already have a certain experience in purchasing and selling licenses. For example, a license was obtained to produce large-capacity marine engines in Denmark from the firm 'Burmeister og Wein,' and they were quickly put into production at the Bryansk Machinebuilding Plant. Now these engines are not only supplying domestic shipbuilding, but they are already being sold for foreign currency. All the costs of acquiring the license have been paid back. We have sold the license for continuous steel-casting technology, the technology for electric slag remelting.... Experience has shown that every plant, factory, or scientific research institute has the potential for arousing the interest of the business circles of other countries in its production know-how and scientific-technical know-how...."

"With our capabilities for selling licenses we hardly would be able to quickly have an income to cover even the wages of the association itself. This matter does not seem to be worth a single ruble. Minfin cannot grant its consent."

There were several more meetings after that. For our part we submitted additional information, including examples of the activity of other countries, including socialist countries. Then the last and final meeting was held.

As is the custom, after the advance telephone call I walked along the hall to the now familiar office of the deputy finance minister. We were polite, with no particular warmth in our greetings. The sheaf of papers bearing the title "The Case of Litsenzintorg" was somewhat fatter for the carefully prepared information that had been included in it. The host said with a smile:

"It seems that we have worn each other out discussing one and the same question. The additional documents have not provided particularly convincing evidence."

"I can hardly agree with you. The material we have presented you is altogether sufficient to support our recommendations. At first the association would be small in the size of its staff. The business itself would demonstrate whether the game is worth the candle. What more do you require of us?"

"What we need from you is a commitment that you personally, as the deputy minister of foreign trade, guarantee to obtain the money for the wages of that association from exports of licenses and, if there is any... 'know-how,' money for the wages of that association. And I do not say this in jest, but in all seriousness."

Since I was convinced that Litsenzintorg would be able to sell licenses, I made the commitment. Of course, everyone knows well the principle that it is riskier to do something than not to do anything at all.

More than 20 years have passed since then. Now everyone can see that Litsenzintorg has not spent its time in vain, it has worked, and it has been increasing the proceeds of foreign currency from exports year after year, earning more than enough to pay the wages of its staff. Purchases of licenses for the most diverse branches of the economy have increased. They are no longer isolated cases, but run to many hundreds. There is every reason to judge the work of the association to be a solid beginning.

I will not exaggerate the importance of Litsenzintorg, as before and in all cases the main responsibility is still up to the creators of scientific-technical progress, up to industry and scientific institutions, and not up to the commercial organization which has been given a subsidiary role. But neither should that role be deprecated, especially in matters of studying the market, gathering information, pricing, and coordinating efforts among participants in the buying and selling of licenses. Incidentally, abroad a firm regards its marketing specialist with esteem equal to its inventor.

The interest of our personnel in the experience of other countries is indispensable to speeding up economic development. Of course, the transfer of someone else's experience must not by any means be a matter of mere copying, but must be creative in nature.

The development of scientific-technical exchange cannot be confined to the narrow limits of just the leading directions--science-intensive products, sophisticated technology, flexible production systems, robotization, electronics, nuclear power, and the like. Exchange must be broadened to include light industry, the food industry, medicine, and other sectors of our economy.

We can agree with the statement made by foreign business people to the effect that imports of up-to-date Western technology is a substantial stimulating factor that would compel the Soviet Union to conduct its own scientific development projects, and that in the trade in licenses and "know-how" the main

direction is from West to East. But it is also true that it is not having any sort of substantial influence on the country's economic development, since the share of products manufactured on Western equipment represents less than 1 percent of the total volume of industrial output. The main and decisive thing to economic development is our domestic industry. Mutual exchange of licenses with the capitalist countries, which has opened up opportunities for broad economic cooperation, depends in large part on how competitive our goods and technologies are. The international licensing market operates according to the customary laws of trade.

Now there are dozens of countries buying Soviet technologies, inventions, and improvements. We are carrying on the most active exchange of licenses with the socialist countries. If you look carefully at the industrial sector of a number of countries, you can clearly note the components of Soviet scientific-technical know-how incorporated into the immense industrial organism. Licenses purchased from us are being used in the metallurgical industry of Japan: They are using continuous steel-casting technology, evaporation cooling of blast furnaces, dry quenching of coke, electroslag remelting technology and equipment, and automatic welding technology and equipment. Soviet licenses have been purchased by the leading metallurgical firms "Nippon Steel," "Kobe Steel," "Ulwak," and others.

Over the last 1.5 decades the Soviet Union has sold the most important licenses to the United States. They include an instrument for surgical sutures, a technology for underground gasification of coal, technology for casting aluminum in an electrostatic field for the famous firms "Kaiser Aluminum and Chemical," "Reynolds Aluminum," and "ALCOA"; a technology for casting copper in an electrostatic field for the firm "Olin Brass"; sales include a method of treating tools with titanium nitride, magnetic pulse stamping, evaporation cooling of blast furnaces, electric arc welding of rail joints, and so on.

The well-known American expert J.W. Kaiser put the question in one of his articles: How could it have happened that other countries have anything better than the United States? And he answered: "America does not possess a monopoly over human minds, and since 30 percent of them are in the CEMA countries, these countries are custodians of inventions along the most important lines. It would therefore be advisable to follow the course of their development, as is being done by many firms in the United States, especially in the fields of optics, ferrous and nonferrous metallurgy, polymer chemistry, pharmaceuticals, etc."

In January 1984 the first plant in the Western hemisphere to produce methanol from eucalyptus wood went into operation in Brazil under a Soviet license. The technology was developed by the Riga Scientific Research Institute. The president of Brazil chaired the ceremonies when the plant was started up. Journalists have wondered why Soviet rather than American technology was selected. The president of the government company "Koalbra" replied tersely: "In the world today there are two countries that possess this technology, only the Soviet Union and Brazil."

But the scale on which our licenses are being exported does not fully come up to our capabilities. And the principal reason for this lies in the fact that certain managers in industry and scientific research organizations are not sufficiently aware of their own know-how and do not have an idea of how large a role it plays. Know-how becomes very familiar, and quite often they do not notice it....

Even the smallest plant has potential in the field of interesting and original technical solutions, and they can improve their marketable resources for export. Unfortunately, these small plants have not been spoiled by attention of other industrial ministries or by the State Committee for Inventions or the State Committee for Science and Technology, nor indeed by Litsenzintorg. In fact many large enterprises are at present doing a poor job of building up their marketable resources for export. Some of them are still continuing to stand aloof from this business.

Scientific research institutes and laboratories and the academies of sciences of the republics and of the USSR possess immense potential. But between them there is barely a dozen which are producing products suitable for export. The pearl among them is the Electric Welding Institute imeni Ye.O. Paton in Kiev. It was probably the first to begin exporting its advances and has continued to operate successfully in that direction even now. We need to say a particular good word about development of electroslag technology, which has effectively solved the problem of obtaining metal of superhigh quality. In essence this has generated a new branch of specialized electrometallurgy. It has become enormously popular throughout the world, is invariably given high praise and recognition, including praise from industrially developed capitalist countries. Some of them have purchased this technology.

Technologies for welding thin-wall cast and forged steel products, pipe, rails, and other advances of the institute have gained popularity on the foreign market. The U.S. firm "McDermont" has purchased a license for the welding of thin-wall pipe and has put it to use with the help of Kiev specialists. Large thin-wall parts weighing several tens of tons were welded by this technology at the Kramatorsk plant for a 65,000-ton press which was delivered to France.

How do you explain the successes of the Ukrainian Academy of Sciences? Is its budget bigger than others, or does it get some sort of special treatment? Of course not. I believe it all comes down to understanding the significance of science and technology, and to an ability to organize the work of scientists and in their well-managed cooperation with industry.

The budget for implementing R&D achievements is considerable in many countries. For example, the Americans have long been using the proportion 1:10:100 in which the first figure stands for expenditures on fundamental research, the second for expenditures on applied science, and the third for expenditures on implementation. This ratio of expenditures was recently confirmed by the English newspaper FINANCIAL TIMES: "Every pound spent for R&D requires the investment of 10 pounds for experimental design work, and 100 pounds to organize implementation and production in order to achieve success in world markets."

The Ukrainian Academy of Sciences has created R&D and pilot production facilities within its own system. It consists of 10 pilot plants, 27 pilot and experimental production operations, 32 design bureaus, 5 computer centers, and engineering centers. There are six scientific-technical complexes each with design bureaus, pilot production operations, and pilot plants.

Scientific collectives like the Electric Welding Institute imeni Ye.O. Paton are moving science forward, are conquering ever greater heights, and are bringing fame to Soviet science and technology. Unfortunately, there are a substantial number of scientific institutions which have shown no results with respect to exports. Some have been giving microscopic doses, and others nothing at all which could be sold. How could we not mention here the oriental wisdom which goes "A learned man who produces nothing is like a cloud that brings no rain." This is why a severe "drought" prevails in a number of scientific institutions.

At times good final results are not obtained because tests are not strict enough, and it is necessary to refine the technology or design virtually before the customer's eyes. Often this is dragged out, the moment for making the sale is lost, and it is not taken into account that new processes age very rapidly. Not to take the project to the point of an industrial prototype and series production signifies depriving oneself of the opportunity to sell a license and bring in revenue for the state.

Creating marketable resources for export on topics suitable for licenses will continue to be one of the main and difficult objects of concern of industry and science. At the beginning of the eighties a conference was held in the premises of the State Committee for Science and Technology on the question of developing exports of scientific-technical know-how. Minvneshtorg presented a recommendation that the criteria for evaluating the performance of scientific research institutes should unfailingly include the indicator of what they had added to their portfolio of licensing resources and what a particular organization had earned on the foreign market. This would have introduced to a "certification of maturity" numerous scientists who are on the roster and who are, so to speak, fully supported by the state. The leadership of the GKNT promised to think about this matter and to encourage work in that direction. We are patiently awaiting decisions.

5

Imports of foreign technologies, their adaptation to our economy, rapid application and achievement of the anticipated efficiency require a special approach to this job.

Experience shows that most licenses and "know-how" which have been purchased and applied at one time or another have brought appreciable benefit and have more than covered all the outlays incurred.

The Volga Motor Vehicle Plant, whose construction was based on international know-how, on the purchase of a sizable number of licenses and "know-how," is a shining example of this. Its vehicles are in demand not only in our country, but also in many socialist and capitalist countries. Ladas are being sold in

contribution to machinebuilding and to strengthening the Soviet Union's export potential.

In 1976 a license for the technology of sewing women's raincoats was purchased abroad jointly with Minlegprom. During the 6 years following the purchase sales of the raincoats exceeded the outlays 54-fold, corresponding profit was obtained, since the demand for raincoats exceeded all expectations.

That same year Minlegpishchemash bought a license for domestic refrigerators in Switzerland. Their sales exceeded the outlays to purchase the license 45-fold and yielded a sizable profit.

Under a license purchased in France the Minsk Domestic Refrigerator Plant organized a first-class production operation. A sizable portion of the expenditures in foreign exchange have already been offset through the export sales of refrigerators. The product is in great demand in many countries and on the domestic market. The total amount of money obtained from selling the refrigerators for export to capitalist and socialist countries has reached 450 million rubles, while the outlays to purchase the license amounted to 18.6 million rubles.

In our time technical ideas age rapidly. That is why minimum time must be devoted to selection and negotiations, conclusion of the contract, and application of what has been purchased. There are examples of operational efficiency in the application of welding robots in the motor vehicle industry--the license for their production was purchased in West Germany--or Minradioprom's application of automatic machine tool technology purchased in Japan.

Ignoring purchases of certain licenses leads to a considerable loss of time, excessive expenditure of resources, and delays in solving scientific-technical problems, especially in the area of sophisticated technologies. Unfortunately, certain managers in industry and scientific institutions still regard the acquisition of the know-how of someone else as detracting from the prestige not only of some individual organization, but indeed from domestic science and technology as a whole.

Naturally, once we have paid its due to the acquisition of foreign know-how by purchasing the license, we also need to do our own development to create new designs of machines, equipment, technology, new materials on the basis of the basic and applied research calculated not only for supplying the economy, but also for sale of Soviet licenses abroad. We need a surge worthy of the might of our state, of its scientific-technical potential, and of the know-how of our own key workers, engineers, and scientists in all sectors of the economy. At the same time the purchasing and application of the know-how of others, regardless of the social structure of the state and level of development of our own science and technology, is a sign of wisdom. Aristophanes rightly said that clever people know how to learn even from their enemies.

ministry's leadership refused to purchase a license, although we had no experience whatsoever in designing and manufacturing such machines. A decade and a half passed in the fruitless activity of that enterprise, but the country did not even obtain a sound machine, although a new plant was built, equipment was purchased abroad and acquired in the amount of 200 million rubles. The prototypes made did not meet the requirements for such a machine.

The time would seem to have long passed when the study and borrowing of capitalist science and technology is considered a manifestation of petit bourgeois psychology, when we considered ourselves all but smarter than anyone else. But even today one comes across certain figures who are thoroughly convinced of this. They still have not died out among executives in the economy and learned men who have been exaggerating their knowledge and ability to produce material goods and who have not considered it necessary to learn from others. Some of them have been singing fervent hymns of praise to their own successes, at the same time closing their eyes and not noticing the new conditions of life, the events of the scientific-technical revolution, failing to see how they themselves are falling behind. Probably the worst thing is that some of these figures are convinced that our social system automatically makes up for all deficiencies of knowledge and experience. When a soccer fan sincerely believes that his favorite team is the strongest in the world, that innocent error is his private affair and causes no injury whatsoever to the state. But when an executive in the economy, important or unimportant, begins to believe that the plant, combine, or branch under his direction is operating with the most advanced technology in the world, when the head of a scientific institution feels that he has worked effectively on all the topics assigned him and conquered all competitors with respect to the level of that list of research topics, then the joking is over. Such judgments cause harm to the development of our economy, they are holding back scientific-technical progress, they are giving rise to passivity in efforts, and they lead to arrogance.

Let us return to the example of the industrial tractor. Its design proved to be unsuccessful and did not meet the most elementary requirements. We have to be surprised at the finding of the ad hoc commission of experts of the State Committee for Science and Technology in 1973 which found that that tractor met the standards of the industrial machines of the time. In addition to a desire to take what was hoped for as reality, there was also in the mix the lack of the necessary knowledge and an unwillingness to listen to the specialists who had studied the problem.

Long before the designing of that tractor even began such machines were already being manufactured in large production runs by the leading firms and supplied to other countries. The tractors were equipped with every possible attachment meeting the needs of the time. The Soviet Union was forced to purchase some of them from the firms "Caterpillar" (United States), "FIAT Allis" (Italy), "Komatsu" (Japan), spending sizable amounts of foreign currency.

While the Cheboksary plant was messing around with taking the bugs out of an industrial tractor with a capacity of 330 HP, foreign firms had begun to manufacture up-to-date machines with capacities of 380, 450, 520, and 600 HP. The "Caterpillar" firm had manufactured prototypes with a capacity of 700 HP in a single-engine version, and the firm "Komatsu" had manufactured a prototype with 1,000 HP.

Without going into details, I will merely say that the best present-day foreign roadbuilding machines based on industrial tractors are equipped with hydromechanical transmission, gears can be changed without stopping the machine, they are equipped with reliable diesel engines, and they have starter ignition. The running gear, transmission, frame, rippers, and other assemblies are designed for the most difficult operating conditions--rocky soil, permafrost areas, the tropics, and so on. The machines are equipped with airtight cabs in which higher-than-atmospheric pressure is maintained to keep out the dust; they have sound and vibration insulation, and they have special frames installed for safety. In a number of assemblies of the running gear so-called permanent lubrication has been used. All of this indicates the immense know-how the foreign firms have built up in the field of manufacturing powerful industrial tractors.

In the absence of our own experience, why did the officials in our machine-building industry take the risk of ignoring such valuable experience? It is a pity that the morbid pride of certain people and even organizations has cost the state so much. The well-known principle "We are as smart as anybody" has carried the day in serious affairs rather often. Take your pick--bureaucracy or ignorance, a low level of sophistication or arrogance?

If someone has already invented the wheel, why invent it all over again? That is precisely why the American company "Texas Utilities Service" acquired in 1975 Soviet technology for underground gasification of brown coal, since the Soviet Union already had 20 years' experience in that field. The firm "Bausch and Lomb" purchased from Czechoslovakia a license for manufacturing soft lenses which had been developed thanks to an original discovery in the field of polymers by the Prague scientist Otto Vihterle.

Of course, the obstacles set up by the present American administration hindered the development of trade in licenses. Let us turn attention to the effect of the so-called COCOM (Coordinating Committee for Multilateral Control of Exports), which was created under U.S. pressure in 1949. The principal aim of that committee is to monitor exports of "strategic goods" to the socialist countries. Its members are 14 NATO countries and Japan, but the United States is the soul of this entire alliance. Every year the list grows longer of goods which are not to be delivered to the socialist countries. The definition of the "strategic commodity" is interpreted so arbitrarily that if a tennis racket or tennis ball might be used to lift the sporting spirits of soldiers and officers in the armed forces, it also would be a "strategic commodity." It is often impossible to discover the logic of including many products on that list.

It is clear that this does not promote development of the trade in scientific-technical know-how.

We have everything we need to oppose any pressure and discriminatory measures and any attempts to hinder our development and participation in international economic cooperation. The draft of the new version of the Program of the Communist Party of the Soviet Union has proclaimed the principal goals of the international policy of the CPSU. They are aimed at steady expansion and deepening of the USSR's cooperation with the fraternal socialist countries and at promotion in every way of a strengthening and progress of the world socialist system and development of equal and friendly relations with the countries that have gained their freedom. The USSR, that document states, will support and develop relations with the capitalist states "on the basis of peaceful coexistence and businesslike and mutually advantageous cooperation."

It is in that direction that foreign trade organizations should stage a vigorous effort on the foreign market. The party, it was said at the conference in the CPSU Central Committee last June, taking as its points of departure the tasks of scientific-technical progress, is calling for "a new approach to our foreign economic strategy"; the growth rates of foreign trade turnover "can and must be speeded up, and the main thing is to accomplish deep structural shifts, to give a more progressive character to both exports and imports." Overcoming the negative phenomena which have been discussed in this article will help to solve that most important problem.

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UNITED STATES AND CANADA

TASS CATALOGUES U.S. MILITARY'S NUCLEAR ARMS 'ACCIDENTS'

LD071648 Moscow TASS in English 1531 GMT 7 May 86

[Text] New York May 7 TASS--Belgian L. Uwa did not even have time enough to realise what happened, when something pierced through the roof of his house with a terrible thunder. It proved to be a "dummy" bomb, which fell from a U.S. Air Force plane in the course of training bombing on Monday at NATO's Helchteren proving range nearby. The bomb fell into the cellar of the house causing heavy damage. According to reports of news agencies, the crew of an F-16 fighter bomber 'miscalculated' and dropped a bomb on a residential neighbourhood, instead of the proving range. According to a statement by the U.S. Air Force, it contained only a "small explosive charge."

That statement can, however, hardly reassure anybody. The incident, which occurred on May 5, is a fresh reminder about the dangerous consequences of the policy of incessant buildup of arms, in the first place of nuclear arms, by the USA, and their deployment in Europe and other areas of the world. Fresh in the memory of all Europeans until now is the tragedy of the Spanish city of Palomares. On January 17, 1966, at 10:00 A.M., a "B-52" bomber collided with a tanker plane in the skies over the city in the course of refuelling the bomber. According to testimony by eyewitnesses, a terrible explosion could be heard and fragments of the planes and parts of human bodies began plummeting to earth. Two hydrogen bombs fell downtown the city. [as printed] Albeit they did not explode when hitting the earth, they were so badly damaged that leakage of radiation happened. Nearly two thousand people, soil and crops were exposed to radiation.

Another bomb fell into the ocean, and it took nearly three months of intensive search to find it. Now, twenty years later, several hundred inhabitants of the city, as before, have to undergo a special medical check, whose results are kept secret from them. Quite recently a high content of radioactive plutonium has again been registered in the soil of that area. Nobody knows the real consequences of that disaster. Antonia Flores was six years old then, but even to this day she is tormented by questions, answers to which she is denied: "What dose of radiation did we get on those days?" "How strong is the radioactive contamination of soil?" "How many inhabitants of our village will die from cancer?" "Can we, in general, have children?" As the Stockholm DAGENS NYHETER stressed the other day, "nobody knows answers to these questions, since after the bombs fell, a thick veil of silence fell on Palomares."

Washington strives to shroud any accident involving nuclear weapons with such a veil of silence. Meanwhile, the sorry chronicle of the events of this kind shows that hardly a month passed over the past quarter of a century without inhabitants of some or other country being exposed to lethal danger through the Pentagon's fault. For more than twenty years, the American and British authorities concealed from public the details of an accident at the Lakenheath Air Force Base, 125 kilometres from London. As has been learnt quite recently, in July 1956 a U.S. Air Force bomber "B-47" rolled off the runway and caught fire in the course of a training flight. The blaze spread to a nearby ammunition depot, where three nuclear bombs were stored... in 1965 a "B-47" bomber disappeared in the area of the Mediterranean. Two containers with nuclear substance on its board have never been discovered....

In December 1965, an "A-4" aircraft fell from an aircraft carrier into the Pacific. It was lost in the depth of the ocean together with the nuclear weapons on its board.

In August 1966, a hydrogen bomb was "accidentally" dropped from a U.S. Air Force bomber during a training flight. It fell into the ocean near one of the islands near Puerto Rico.

On January 21, 1968, a strategic "B-52" bomber fell, broke through a two-metre thick ice and sank in the Northern Star Gulf off Greenland's west coast. There were four hydrogen bombs on its board. This resulted in a radioactive contamination of a large territory.

In February of the same year, a "B-52" bomber with nuclear weapons on board crashed near the Canadian city of Toronto.

In the same month, a similar accident happened in the Gulf of Mexico.

In May 1968, a U.S. submarine carrying nuclear weapons was lost in the Atlantic. The place of the wreck is kept secret to this day.

In February 1981, a U.S. missile launcher "Pershing-1A" exploded in the area of the city of Althütte in West Germany.

This list could be continued to infinity, since, according to the American MOTHER JONES magazine, accidents involving nuclear weapons took place practically in all areas of the USA and in many parts of the world. Over the past twenty years, in the U.S. Navy alone 630 accidents involving nuclear weapons in which hundreds of people were killed, were registered, the AP Agency said.

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UNITED STATES AND CANADA

U.S. POLICY TOWARD MICRONESIA ASSAILED

Moscow KRSNAYA ZVEZDA in Russian 14 May 86 p 3

[Article by V. Voytenko: "Illegal Encroachment"]

[Text] On May 12 in New York the 53rd Session of the UN Council on Trusteeship opened. On the agenda is the question about the future of Micronesia, the last UN trust territory, which has been under U.S. administration for almost four decades.

As is known, in 1947 the United States received from the Security Council a temporary mandate for the administration of Micronesia (its official name is Trust Territory of the Pacific Ocean Islands). According to the agreement on trusteeship, the U.S. was obliged to restore political stability and return economic independence to the indigenous population. However, literally from the first days, Washington's policy in its relations with Micronesia was determined by its neocolonial and militaristic calculations.

American transnational corporations turned to the rich deposits of ferro-manganese formations which had been discovered in the Pacific Ocean depths of this region, appropriating for themselves the uncontrolled right to develop these deposits of strategic raw materials. But it was the U.S. military command which had the greatest stake in Micronesia. During the years of American management the gigantic arc of more than 2,200 islands was turned into a military fiefdom of the Pentagon. On the islands an area for testing missile technology, naval bases and strategic aviation bases were built. The atoll of Kwajalein was used for testing intercontinental ballistic missiles. Tests took place here of the equipment intended for the "star wars" program. On the islands of Bikini and Enewetak, according to the newspaper THE CHRISTIAN SCIENCE MONITOR, more than 60 atomic and hydrogen bombs were detonated.

Not wishing to relinquish its important military staging ground in the Pacific Ocean, the U.S. intended to strengthen its dominance over the region for good, removing Micronesia from the UN trusteeship. Dividing the territory into four state formations, Washington foisted on the Marianas, the Marshall Islands, Palau (the western part of the Caroline Islands) and the Federated States of Micronesia an agreement on "cooperation" and "free association." This brazen annexation was covered by the term "free association with the U.S.". As a result of this agreement all questions of foreign policy and defense came under the jurisdiction of the United States. According to the words of the well

known American specialist, University of Miami professor Roger Clark, similar "agreements" gave the American administration a free hand in stockpiling nuclear, chemical and biological weapons on the islands.

In order to give an appearance of legality to its illegal action (a willful change in the status of the Pacific Islands contradicts the UN Charter), "referendums" were staged, the results of which supposedly expressed the will of the people of Micronesia. However, according to the report of the departing mission of the UN Trusteeship Council which observed the plebiscite on Palau in February of this year, only a few of the participants in the voting knew the details of the "agreement on free association" presented for their "approval." Such details as the strengthening of U.S. rights and not informing the local powers about the storage of nuclear weapons on the territories of the islands, which contradicts Palau's constitution, were simply hidden from the participants in the voting.

Dooming the people of Micronesia to lack of political rights, the U.S. intentionally slowed down economic development of this region as well. Even the authors of the openly pro-American report on the situation in Micronesia in 1985, R. Stratton and A. (Roche), had to acknowledge the serious shortage of infrastructure facilities: roads, hospitals, schools, docks, airports, inter-island ship lines. In addition, the criminal activity of the Pentagon in the region of the Bikini and Enewetak atolls led to massive radioactive contamination of the islands, deprived the islanders of the possibility to engage in fishing or agriculture and created a threat to the lives of the local population. Irradiation led to mass spreading of leukemia and other types of cancer. The birth of mentally retarded and physically deformed children is the monstrous price the people of the Pacific Islands have to pay for the barbaric experiments of the militarists.

With their illegal activity in relation to Micronesia the U.S. is unceremoniously violating the UN Charter, the Declaration on Granting Independence to Colonial Countries and Peoples and the Agreement on Trusteeship. In response to the aspiration of the Pacific Ocean peoples to free the region from nuclear weapons, the U.S. is creating here a zone of increased nuclear danger.

The attempts of the American administration to legalize its annexationist plans at the regular session of the UN Council on Trusteeship is one of the manifestations of imperial ambition, realized in the practice of the policy of "new globalism." It is impossible to achieve such a situation when the fact of Micronesia's annexation faces world public opinion. The question of the trust territory, in complete accordance with the UN Charter, must be resolved in the Security Council.

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UNITED STATES AND CANADA

QUESTIONS ON CHERNOBYL INSTEAD OF U.S.-USSR FLIGHT CRITICIZED

Moscow IZVESTIYA in Russian 12 May 86 Morning Edition p 5

[Special correspondent D. Velikiy "Reportage from the Scene": "Flight Su-317"]

[Text] Moscow-Washington-Moscow -- The runway at Sheremetyevo-2 International Airport. The aircrafts -- an Il-62 m. Moscow time -- 1030 hours.

"Today is a portentous day. We are resuming direct flights to the United States," were the words with which crew commander N. Kuznetsov began the traditional greetings to the passengers.

Flights from Moscow to Washington now take 10 and 1/2 hours. In that time a modern airliner can travel a distance of some 9,000 km. But our aircraft completed the journey in 40,000 hours. And not because of some kind of defect to the fine Il-62m aircraft. The delay is wholly down to human error, not machine defects. And it took Washington 40,000 unflown hours to finally admit the error. Namely -- the banning of direct Aeroflot flights to the United States and the closure there of offices of one of the most powerful civil air fleets in the world -- Soviet airlines.

A brief history of the question.

For 5 years, from 1986, talks were held with a view to reaching an agreement on air travel between the USSR and the United States. It was signed in 1966. Aeroflot's partner was the firm Pan American World Airlines (Pan Am). But in 1978 Pan Am stopped flying to the USSR. Soviet aircraft were refused permission to fly to New York in 1981 and to Washington in 1982. In 1985 it was decided at the Geneva summit to resume direct flights. Pan Am enthusiastically set about reactivating former ties -- the company had lost 100 million dollars a year from this forced abstention from the flights.

Yes, the history of air communications between the USSR and the United States has not been simple. It has had its high points but there have also been, so to speak, "forced landings." But the current delegation traveling to Washington was to cut a symbolic ribbon at Dulles Airport and open a new chapter in the history of air links between the two countries.

At a press conference on arrival Soviet delegation head M. Timofeyev, deputy minister of Civil Aviation, said: "We have landed on American soil with good feelings and good intentions. We sincerely hope that with today's flight we are not only opening and resuming regular flights between our countries but also making a definite positive contribution to Soviet-U.S. relations as a whole.

Pan Am Vice President R. Matthias: "We are extremely glad that direct flights between the United States and the USSR have resumed. Our company has extensive plans in this connection." Thus a new chapter has been opened. What has happened is both easy and hard to believe. It was easy to believe in the force of the natural attraction toward the positive, but the heavy hand of caution groped around in our consciousness. And, alas, our misgivings were well-founded. We were suddenly hit by a wave of malice and anti-Sovietism. At the press conference after the banal protocol questions about the flight, many triumphant eyes suddenly lit up and questions started... about Chernobyl. Like an interrogation. My U.S. colleague suddenly lost their sham objectivity; choking on their questions, they craved for the answers that they had already thought up -- some of them having even written them down earlier in their notebooks.

No, Aeroflot's mission was not wrecked. On the contrary, it was crowned with success, and it was undoubtedly served by the sober-mindedness and realism shown in the situation by Pan Am officials. But in stating this, we cannot fail to mention the anti-Soviet show on the television screens and the newspaper front pages.

The anti-Soviet campaign bomb was detonated hurriedly, clearly in the hope that its rubble would drown out the alarm at the Nevada explosions, the wailing of wounded Libyans, and everything that has by no means embellished Washington's political course. Every 3 hours there were various specialists on television conjecturing in a manner likely to scare Americans. They even went so far as to talk about a direct threat to America! I switched off the television. I was sick of the latest propaganda attack. Was everything we were doing really in vain and was the flight also meaningless? Who in America could withstand the flimflam onslaught of the propaganda megatons?

Flights between the USSR and the United States have been resumed. And that is a reality. But the anti-Soviet nightmare in the United States is not disappearing. The dream of hatred in which America is engulfed is like lunacy -- when eyes see what is not actually there. And those are - dangerous nightmares.

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UNITED STATES AND CANADA

U.S. ANTI-SOVIET 'PROPAGANDA MACHINE,' 'DISINFORMATION' HIT

Moscow AGITATOR in Russian No 4, Feb 86 pp 45-47

[Article by I. Yermachenkov under the rubric "Capitalism Without Embellishment":
"The System of Lies and Misinformation in the USA"]

[Text] The U.S. Administration has created an enormous propaganda machine for shaping public opinion both within the nation and abroad. Using the modern technical media, diversionary and psychological techniques, it extensively resorts to distortion of the facts or to out-and-out falsification, and significantly distorts the picture of the world situation.

The Limited Political Knowledge of the Americans

I have discussed foreign policy issues with Americans many times. And each time, because of the questions they asked, I was automatically struck by their misinformation and their one-sided knowledge of the Soviet Union and other nations which have set out on a path of building socialism. And there is nothing surprising about this. From the very beginning of the Soviet State's establishment, bourgeois propaganda spread absurd stories about our nation on a daily basis. It deliberately substituted half-truths for the truth and drummed into people's minds primitive images designed to sow the seeds of distrust in socialism, to discredit Marxist-Leninist doctrine and at the same time, to excuse the capitalist society's faults.

While children are still in school the idea is instilled in them that the Russians are inherently expansionistic, that Soviet tanks are just waiting for a convenient moment to occupy Western Europe and that "communists and terrorists" have long been preparing an attack on America by creating a staging area in the Caribbean Sea and the nations of Central America.

By frightening the Americans with the "Soviet military threat" and the "subversive activities of the communists," the mass media are whipping up in the nation a cult of fear, violence and hatred for the socialist nations and newly liberated nations which have set out a noncapitalist path of development.

Having set out on the path of an arms race in space, Washington is apparently guided by the theory of former Secretary of State John Foster Dulles, who was

preaching the following back in the '50s: "In order to motivate a nation to bear the burden of maintaining powerful armed forces, one must create an emotional climate similar to a war psychology. The idea must be created that there is a threat from without."

The White House is instilling in the ordinary American every day the idea that an attack on American by the "reds" is inevitable, says former Ambassador to the USSR G. Kennan, and recommending that outlays for armaments be increased.

Although the Dulles era has long since disappeared into the past, the USA turns to his prescriptions every time it wants to get a significant increase in financing for the production of new weapon systems. The statement about the USSR's imaginary superiority and the USA's lag is always brought out in such cases. Despite repeated assurances by the Soviet leaders that the USSR has not engaged in and is not engaged in any sort of projects in the area of creating [sozdaniye] space weapons, the U.S. President stated in an interview with Soviet journalists: "After the Soviet Union has created a functioning antimissile system, it now suggests establishing a 'freeze' before the United States can test its own system."

This is an out-and-out distortion of the truth. "The Soviet Union," Marshal of the Soviet Union S.L. Sokolov, USSR Minister of Defense, has stated, "is not creating [sozdaniye] assault space weapons, is not deploying a large-scale antimissile defense system and is not testing weapon models for this purpose. Propaganda statements by Washington leaders about some sort of "secret Soviet SDI" is yet another attempt to justify "Star Wars" and the nonconstructive position taken by the USA in Geneva, and to avoid talks on the banning of assault space weapons."

The Lie Machine in the USA

The United States has the most modern and ramified information and propaganda machine of all the nations in the West. More than 10,000 newspapers and magazines, 6,700 commercial radio stations, an extensive film production network, a large system for the production of special-purpose political literature, communication satellites, the latest electronic equipment and the largest information agencies are in the hands of private owners.

Two American information agencies, the Associated Press (AP) and the United Press International (UPI), provide news for the mass media not just in the USA, but in all of the capitalist nations. They account for two thirds of the coverage of events for readers in the capitalist world. News in the AP interpretation alone are heard by around 1 billion people each day.

There are around 200 magnates in the field of information in the USA. This group of people, closely connected with the bosses of the military-industrial complex, determine each day the flow of information they assess to be necessary for the shaping of public opinion in the nation and abroad. Leaders of the Heritage Foundation, an untra-right organization, are among the magnates in the field of information. It has been instructed to work out recommendations for American propaganda which reflect the interests of the military-industrial complex.

The press, radio and television are powerful tools for manipulating public awareness in the hands of a small group of clever operators, and the journalists are their agents. Attempting to get its hands on more and more military orders from the government, big business exerts pressure on the owners of the mass media, who, in turn, force the journalists to take part in the processing and dissemination of the false information.

Following the instructions of big business, the pages of the American press and the television screens have been filled with pictures consisting of a mixture of murders, violence, catastrophes, scandals, sex and advertising. News is broadcast on television only during the breaks, and most of it consists of speculations and opinions imposed by representatives of the military-industrial complex.

The U.S. Administration makes extensive use of the press, radio and television, which belong to private capital, in its own interests. Operating through big business and directly, press agencies of the White House, the State Department and the Pentagon attempt to impose upon them the information which is of interest to official Washington. And the owners are forced to give prominence to news of little importance and to remain silent about that which is clearly not to the liking of the American Administration.

Around 500 White House workers deal with questions of "government communication with the public" (this is how propaganda activities are covered up in Washington--I.Ye.). In all, there are around 20,000 government employees in the American Administration whose jobs involve propaganda. The USIA alone has 8,700 of them operating in 125 countries.

The White House propaganda system coordinates the propaganda of the American departments and directs a flow of information to the press, radio and television. It holds press conferences, works on correspondents accredited at the White House and maintains daily contact with the editorial staffs in order to influence the kind of information they provide.

The White House Information Service was established in 1985. It is charged with providing Washington's official version to the editors of newspapers and magazines which do not have their own correspondents there. The White House Television Service was established the same year.

Journalists who visit the White House say that there is a sign on the wall in the office of Deputy Press Secretary L. Speakes, who has actually headed the Press Service since the wounding of its chief, James Brady, which reads: "Don't tell us how to make news, and we won't tell you how to report it." To make news is the creed of American propaganda. Manipulating events, facts and problems facing individual groups of people and entire nations, and exploiting the religious feelings and national traditions of the Americans, White House workers fabricate reports day after day to keep public opinion on the prescribed course.

The U.S. Administration is perfecting the information service, which includes hundreds of newspapers and magazines, an equal number of radio and television stations, and large publishing houses, which turn out dozens of political books

every month. The Pentagon, the CIA and the USIA are the top disseminators of information through these channels. From Santiago to Seoul USIA workers provide local press, radio and television agencies with anticommunist and anti-Soviet articles and photographs, and provide libraries with textbooks, reference material and at the same time, with propaganda pamphlets. These contain false statements about the military strength of the USSR and Cuba and about their imaginary interference in the internal affairs of the Latin American countries.

Forms and Methods of Misinformation

Long before the Soviet-American summit meeting in Geneva, the U.S. President was asked whether he still considered the Soviet Union to be an "evil empire." Responding to ABC correspondent T. Coppel absolutely affirmatively, he referred to statements by V.I. Lenin, who allegedly spoke of the "Russians' desire to conquer the entire world." Meticulous journalists and workers in the press services of the White House and the American Congress thoroughly went over V.I. Lenin's works in English and Russian, but did not find the quotation. After a long search, the words ascribed to V.I. Lenin were found in the "Blue Book" published in 1958 by a certain R. Welch of the ultra-right John Birch Society.

It turns out that "quotations" for the President and facts and figures on the USSR are provided the White House not only by the Pentagon, the CIA, the State Department, the USIA and other departments of the American Administration, but also by ultra-right organizations.

Such information is used for preparing the President's speeches, notes, reports and memoranda for maintaining the myth of the "Soviet military threat."

These "documents" contain few authentic facts or truthful statements. Everything in them is based on lies, slander, misinformation and juggled facts. This murky stream is channeled to the Congress and the USA's NATO allies. The press, radio and television extensively publicize the contents of the false documents, while either remaining silent about our responses or else presenting them in such a distorted form that the ordinary American can never uncover the truth.

For example, a pamphlet with the title "Soviet Programs in the Area of Strategic Defense" was published in October of 1985 at the initiative of the Pentagon and the State Department. It contained the unsubstantiated assertion that the American Administration's Strategic Defense Initiative (SDI) was undertaken, it claimed, in response to an extensive program of deployment of assault space weapons which the Soviet Union is allegedly implementing. This conclusion was backed up with fabricated Pentagon data on the armed forces of the USSR and understated information on the armed forces of the USA. The Pentagon needed all of this apparently in order to satisfy the appetites of the military-industrial complex for new orders and to extract from Congress additional funding for the arms race.

The CIA is the main source of misinformation. This department not only gathers intelligence, but also conducts secret operations, arranges conspiracies and kidnaps people, and its agents have been planted as journalists on the editorial staffs of the mass media in various nations.

and held in American torture-chambers until 2 November 1985, when he managed to escape. For a period of 93 days he was regularly given special preparations and subjected to endless interrogations and blackmail and led to believe that he had already given away state secrets and signed documents committing him to collaborate with the CIA. The Western press, radio and television were literally glutted with false reports on the Soviet diplomat. In order to break down his resistance, "news" fabricated in the CIA about "Soviet agents" exposed by him was regularly disseminated, anti-Soviet statements were made in his name, and it was asserted that his "collaboration" with American intelligence had been going on for several years. The published articles about this were brought to Yurchenko's attention, and he was told that following their publication either prison or death awaited him in the homeland.

When the Soviet diplomat succeeded in freeing himself, CIA lawyers began equivocating and offering various new versions. According to one of them, V.S. Yurchenko was specially sent out to compromise the U.S. Administration on the eve of the Geneva meeting.

The preparation and conduct of special-purpose surveys of public opinion is an important tool for influencing public opinion in the USA. These surveys are increasingly used for purposes of implementing the Pentagon's military plans. The newspaper WASHINGTON POST and ABC television recently posed the following question to the Americans: "Are you for a reduction in the nuclear arsenals of the USA and the USSR or for the creation (sozdaniye) of U.S. space weapons"? In their answers 74 percent of the Americans were in favor of reducing the nuclear arsenals of the two powers, and only 20 percent were for the creation (sozdaniye) of space weapons.

The White House then made another survey. Using "Soviet military missiles" aimed at the USA to frighten the Americans, they were asked how they felt about research for the creation (sozdaniye) of a "strategic defense shield." This time more than 90 percent of those surveyed gave an affirmative answer. Arming itself with the results of the latter survey, the Administration began asserting that the vast majority of Americans, it alleges, supports its course of creating (sozdaniye) space weapons.

The American propaganda arsenal also includes other forms and methods of using the mass media for influencing the minds of people. And they are all directed toward the popularization of war and force. In the situation of the intensified struggle for the minds and hearts of people, of ideological confrontation between the two systems, the Soviet Union advocates the truthful approach and proposes that lies and misinformation be rejected, that peoples be given the opportunity to form their own idea of the world in which we live.

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U.S. ACTION AGAINST LIBYA SEEN STRAINING ATLANTIC SOLIDARITY

European 'Loss of Autonomy'

PM230925 Moscow SELSKAYA ZHIZN in Russian 20 Apr 86 p 5

[Political observer Vladimir Katin "View of Events": "Assassination Attempt"]

[Text] The explosions on the nuclear firing range in Nevada and the thunder of the bomb strikes on Libya are sounding an echo of indignation all over the planet. Assessing these sinister events, M.S. Gorbachev, general secretary of the CPSU Central Committee, said in his speech at the 11th SED Congress in Berlin:

"If you look at things in the broad international context, the crime against Libya, like the stubborn continuation of nuclear tests and the whipping up of threats against Nicaragua, cannot be seen in isolation. All this is a manifestation of the general course of the American administration, whose militarist, aggressive orientation has been fully exposed in recent days."

The Pentagon's acts of banditry against Libya cast light on the subversive nature of Washington's foreign policy. The U.S. military and the CIA, you see--planned to kill Al-Qadhdhafi, leader of the Libyan revolution. This cynicism is the most shameless flouting of international law and the elementary norms of human morality. Not that the United States has ever adhered to those fundamental principles. It has turned political assassinations into one form of subversive activity against sovereign states.

According to numerous admissions by former American intelligence employees, Washington was involved in the assassinations of Patrice Lumumba, prime minister of the Republic of the Congo, Eduardo Mondlane, chairman of the Mozambique Liberation Front (Frelimo), Salvador Allende, president of Chile, and Solomon Bandaranaike, prime minister of Ceylon, as well as in repeated attempts to assassinate Fidel Castro, prime minister of Cuba, Jamal 'Abd al-Nasir, president of Egypt, and others. The bombings of Tripoli and Benghazi caused numerous deaths among the civilian population. Many children, women, and old men died. The whole world condemned this barbarity, including many West European U.S. allies, except for London, which took the path of complicity in aggression.

As for the recent nuclear explosions in Nevada, the Soviet Government's official reaction was clearly expressed in its statement: "The American Government's irresponsible actions are an open challenge not only to the Soviet Union, but to the peoples of all continents and to the world as a whole."

Naturally, in this connection the question arises: What is the reaction of the leadership of West European countries to Washington's refusal to join in the Soviet moratorium on nuclear tests and its ostentatious continuation of explosions in Nevada? Neither the West European governments' press services nor the news agencies have conveyed a single word of condemnation from Western officials over the Nevada explosions. Indeed, Bonn came out in support of them. At the Moscow press conference in connection with the Soviet Government statement I asked USSR First Deputy Foreign Minister G.M. Korniyenko: Since the world press has no information on the condemnation by West European governments of the nuclear tests in the United States perhaps there has been information to this effect through other channels, diplomatic channels, for instance?

It seems, he replied, that nothing has been recorded on this score anywhere--there has been no such condemnation by the governments of West European states.

In this connection it must be regretted that the West European governments have not expressed a negative attitude toward nuclear explosions. And yet, it seems to me, they could do this, and even use their authority to influence the United States. In chess terms, there is a stalemate: None of the West European leaders appears openly to welcome the U.S. nuclear tests, but none of them is protesting either.

Here I cannot help recalling 1963--the time of the signing of the Moscow Treaty Banning Nuclear Weapon Tests in the three environments. The West European powers' role in securing an accord and drawing up the treaty was considerable, and we remember this now, 23 years on. U.S. President Kennedy thanked the then British Prime Minister Macmillan for his active, constructive participation in the work to conclude the Moscow Treaty and for his understanding of the danger of the proliferation and improvement of nuclear weapons. Much water has flowed under the bridges of the Potomac and the Thames since then. The present White House incumbent could evidently thank the present British prime minister for her recent statement that she cannot imagine how the world could exist at all without nuclear weapons. Is not this support by London for the nuclear arms race, which the United States is accelerating more and more? The new aggression against Libya was also carried out with the help of Britain, in effect: The cities of Tripoli and Benghazi were bombed by F-111 planes based on British territory.

True, an extraordinary session of the Common Market foreign ministers in The Hague came out against the U.S. unleashing of military operations against Libya. But I wish to say frankly: This statement was timid, I would even call it ingratiating toward the United States.

The complex international situation gives rise to all kinds of nonsense in the West concerning what to do about the "spirit of Geneva" and the accords which were reached at the highest level. After all, nobody has rescinded them. Or the objectives set at the Soviet-American summit meeting. Let me remind you that at that time it was stated in the joint document: Nuclear war must not be unleashed and both sides pledge not to seek military superiority. Therefore, it seems to me, the "spirit of Geneva" must be realized not in statements of a general nature, but in practical actions. And our country was not slow to act. Proposals were conveyed to the governments of the United States and its allies, designed, if adopted and fulfilled, to realize the "spirit of Geneva."

But what does the Soviet Union hear in response to its proposals? At best, an eloquent silence. But more often, either unintelligible arguments on general subjects, or an intelligible refusal. And meanwhile the world situation becomes more tense. Of course, not of its own accord, but as a result of the U.S. armed provocations against Nicaragua and Libya and as a consequence of the Americans' tests of nuclear and laser weapons, the siting of new American missiles in Western Europe, and the stepping up of the "star wars" program with the allies' participation.

The negative position of the majority of NATO countries is a result of very strong U.S. pressure. How else can we explain the fact that only yesterday the allies were calling for the removal of Soviet medium-range missiles, whereas today, when this possibility has been offered, they are backtracking? Washington regards this as "Atlantic solidarity." But in fact it is a double cross. By keeping its own missiles in Western Europe the United States is retaining for its peoples the threat of a first strike.

The same applies to the space militarization plans. Britain aligns itself with these plans, urging the other NATO countries to follow its example. And it "becomes clear" that the "star wars program" require the continuation of nuclear tests. So we have a vicious circle. Still greater "solidarity" has been displayed on this question by Bonn, which concluded a secret contract with the United States for participation in the "strategic defense initiative" program. The FRG Government thereby assumed the responsibility for the implementation of a dangerous project which, according to U.S. calculations, should enable the United States to inflict a first nuclear strike.

The question arises: The West European countries' solidarity with the United States in the dismantling of the Geneva accords, on the question of preserving nuclear arsenals, in the matter of putting weapons in space, and in tacit encouragement of aggression--does not all this lead to the loss of their autonomy? Western Europe could lose much from this kind of "solidarity," especially as regards its own interests. All these facts, as well as the bloody U.S. aggression against Libya, are symptoms of the great danger: Under the banner of the "solidarity of the Western world," the United States drags its allies into its own very risky adventures. De Gaulle once warned that participation in NATO, where the American rule, means a danger for any country of being dragged into a war--automatically, against its will and its national interests. This danger has come very close to Western Europe, hangs over it, and is now the main threat for it.

As M.S. Gorbachev noted at the 11th SED Congress in Berlin, at this crucial moment nobody can avoid fulfilling his duty to the present and future generations. The future of the world cannot be put at the mercy of the American militarists.

U.S. 'Pressure', 'Lies'

LD231607 Moscow TASS in English 1524 GMT 23 Apr 86

[Text] Moscow, April 23 TASS--TASS political news analyst Vladimir Goncharov writes:

"Atlantic solidarity" undoubtedly amounts to full-scale nightmare for many leaders of the West European NATO members whenever (and it is quite often) this "solidarity"--or to be more precise, the need to back Washington--makes those leaders to call chalk cheese and vice versa.

Naturally, they do not do this of their free will but yield to pressure from the USA, which uses various NATO levers. When those fail, however, Washington is not averse to telling lies to reach its ends.

This is precisely what happened in our case. Having launched an act of aggression against Libya, Washington badly needed its partners' "solidarity." The piratic attack on Libya, far from evoking understanding and approval Washington had expected, provoked a storm of anger and indignation all over the world. The exceptions could be counted on the fingers of one hand: Only the Governments of Britain, Canada and Israel backed Washington's act of banditry.

In this situation the U.S. Department of State and other U.S. agencies concerned with foreign policy leaned hard on their Atlantic partners in order to break out of far from illustrious isolation. As a result of these intensive efforts, Britain, France, Denmark and Australia joined the United States in blocking in the Security Council a resolution of nonaligned states which denounced the U.S. act of armed aggression against Libya.

It is easy to guess how costly this "solidarity" of three NATO members was to U.S. diplomacy if we remember that France flatly denied the right of overfly to U.S. planes on their piratic raid. The Department of State also failed to secure the approval of U.S. State terrorism by the conference of the Common Market foreign ministers convened in Luxembourg specifically to discuss the "Libyan question." Cowtowing to Washington and bowing to the laws of "solidarity," the foreign ministers approved "diplomatic sanctions" against Libya but no one of them had the pluck to sing praise to bandit attack of the U.S. Air Force on Tripoli and Benghazi.

But to all appearances, the approval or at least a semblance of approval of the U.S. shameful military action was being sought not only by the State Department but also by agencies responsible for the mass media. Anyway, a number of American newspapers ran the sensational news that Bettino Craxi, the head of the Italian Government, approved the American raid on Libya. That false "sensation," however, went down badly with Italy, causing displeasure

and irritation among the Italians. In real fact, the other day the Italian prime minister made a very different statement in which he unambiguously reserved Italian support for the U.S. armed action against Libya. A symptomatic statement was also made by a diplomatic adviser to the Italian prime minister. Having denied the allegations of the American newspapers, he drew attention specifically to their "anonymous sources." The advisers' observation was made diplomatically--but in that case one had every reason to tell the "anonymous source:" "mask, I know you!"

'Shattered Illusion'

PM241059 Moscow PRAVDA in Russian 23 Apr 86 First Edition p 5

[Vladislav Drobkov "Commentators' Column": "With One Eye on Washington"]

[Text] The American bombs and missiles which fell on Libya not only hit the residential districts of Tripoli and Benghazi. They also shattered the illusion of an autonomous approach on the part of a number of the U.S. NATO allies to urgent international problems.

As one West European minister put it, Washington "slapped Europe in the face," openly flouting the opinion of the majority of its own partners, who called on it to refrain from military operations. After all, after entering into collusion with Britain, which made bases available to the United States for the aggression, R. Reagan's administration hypocritically conducted "consultations" with the other allies after it had already taken the decision for a strike against Libya!

In so doing Washington totally ignored the opinion of its partners and showed that it is ready to use the American armed forces stationed on their territory for its own dangerous adventures. The broad public, progressive forces, and the masses of working people in Western Europe have protested resolutely against the American tyranny. In many countries there have been mass demonstrations roundly condemning the actions of Washington and London.

As for the ruling circles of the majority of the NATO countries here the picture is different. Even those who originally criticized Washington were inconsistent. It appears that the so-called Atlantic solidarity and common class interests did the trick. Flagrantly yielding to American pressure, they tried in one form or another to justify if not the form, then the essence of Washington's anti-Libyan actions. Emergency session of the NATO Council and a meeting of EEC foreign ministers were convened. High-ranking U.S. envoys were dispatched to work on those in Europe who were displeased.

And the allies began to follow Washington's lead. Thus the Common Market adopted a number of discriminatory measures against Libya. In the UN Security Council not only the representatives of the United States and Britain, but also France and Denmark voted against a resolution severely censuring the U.S. actions. The FRG is also falling in with U.S. wishes. Only Greece has openly refused to align itself with the campaign being whipped up by the United States.

In this situation the United States and its closest NATO allies are hurrying to revive at least a semblance of transatlantic "trust" and to knock together a common front under the slogan of "combating international terrorism." But their efforts are hardly likely to make the peoples of Europe forget how, in attacking Libya, the United States demonstrated not only "neoglobalist" adventurism, but total disregard for the interests of its own allies.

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WESTERN EUROPE

SPANISH MEMBERSHIP IN NATO: 'FIGHT NOT OVER'

Moscow NEW TIMES in English No 14, 14 Apr 86 pp 24-26

[Article by Anatoly Krasikov]

[Text]

The referendum on Spain's membership of NATO has brought victory to the Gonzalez government. Here are the returns announced by the Ministry of the Interior. Out of a 29-million-strong electorate, 17.2 million (or 59.41 per cent) went to the polls, and 11.8 million (40.59 per cent) stayed away. Nine million votes (52.49 per cent) were cast for, and 6.9 million (39.84 per cent) against Spain's continued membership of the bloc. The rest of the votes were left blank, or spoiled.

Both in Spain and abroad, papers point to the fact that the official referendum returns are in striking contrast with the results of pre-referendum public opinion polls.

Emilio Martinez Ramos, general director of the firm Emopublica which was instructed to publicize the breakdown of the vote, issued the following statement: "The voters' positions have changed considerably over the past few days.... These changes resulted largely from the campaign involving political leaders and, in particular, from their appearances on Spanish television."

**Forty Months
and a Few Days**

If it is true that Spanish voters' positions underwent radical changes at the eleventh hour, it is also true that these changes had been prepared by the ruling Spanish Socialist Workers'

Party (SWPS) over the past forty months.

The magazine *Nation*, published in the United States, reminded its readers recently that although after their victory at the 1982 parliamentary elections the Socialists had announced a "freeze" on Spain's further integration into NATO's military organization, Spanish representatives were still active in numerous organs of the bloc. They sat in on the Defence Planning Committee and the Euro-Group, kept the observer status in the Nuclear Planning Group and in the special consultative group. Moreover, Spain's involvement with NATO even increased under the Gonzalez government, the magazine commented. The Spanish Defence Minister attended conferences with representatives from the countries forming the so-called integrated defence structure of the bloc. France, whose status in NATO is formally the same as that of Spain, is not represented in any of these organs.

In the *Nation's* opinion, the change in the Socialists' position with regard to NATO is primarily due to pressure from Washington and those of its European allies who would like Spain to remain in the organization.

Felipe Gonzalez began to give open support for Spain's continued stay in NATO. However, neither the country, nor his own party was prepared for such a move. As he campaigned with increasing vigour for his new foreign policy, the President of the Govern-

ment delayed the referendum (which had been promised to Spaniards as far back as 1982) for as long as he possibly could. He finally gave it the go-ahead only a few months before the term of the Cortes elected at the last parliamentary elections expired. However, Felipe Gonzalez took his country's anti-militaristic sentiments into account and stipulated its continued NATO membership on three conditions which we dwell upon in detail on a previous occasion (see *New Times* No. 8, 1986).

For all that, the Americans were afraid that the Vox Populi Operation could lead to Spain breaking with the bloc they had put together, and insistently advised Felipe Gonzalez to "forget" about the referendum. However, this statesman, in whom millions of his compatriots have confidence, could not dash the hopes of those who had given him their vote in 1982. Instead, he has continued to repeat over the past few years that his experience of managing state affairs has convinced him of the advisability of maintaining links with NATO.

On March 13, when it was all over, U.S. Secretary of State George Shultz, speaking before a Senate committee, praised the Spanish Premier for having kept his word to the Americans without violating his election promises. While in New York in September 1985, George Shultz said, Felipe Gonzalez had advised him that he was going to conduct a referendum, because as a politician he had to keep the promise he had made during the election campaign. According to Shultz, Gonzalez believed the Spanish people would support him.

Exactly three days before the referendum, on March 9, Felipe Gonzalez met with U.S. Vice-President George Bush in Lisbon. Both were there on the occasion of President Mario Soares' inauguration, but the conversation between the head of the Spanish government and the high-ranking transatlantic visitor certainly centred on the referendum. On the eve of polling day, the Spaniards learned from a report by the EFE's Washington correspondent that in the event of a defeat for the pro-NATO forces the U.S. had established contacts with Spanish right-wing leaders. (The report sounded like a warning that if it broke with NATO Spain was in for a "surprise" as had often happened in the country's history, its recent history included.)

Substitution

Political observers are unanimous in their judgement that the SWPS leaders have managed to substitute—in the eyes of most Spaniards—the alternative of voting for or against NATO with that of voting for the Socialists or for the right, which has more immediate meaning for them. Felipe Gonzalez accomplished this with the help (albeit unintentional) of his political opponent Manuel Fraga Iribarne. By calling upon the supporters of the Popular Alliance to boycott the referendum and making an open bid for the defeat of the government, he reinforced Gonzalez' Atlanticist stand by the votes of those who had previously declared: "Yes to Gonzalez, No to NATO."

Many of those who voted "for" would prefer Spain to withdraw from NATO. For them, however, opposition to Gonzalez' proposal assumed a new meaning—from then on it looked like a refusal to support the Socialist government to which the only real alternative today is, as all can see, the rule of the right.

For most Spaniards, their country's membership of NATO, with Socialists in office, looks evil, but it is still a lesser evil than the revival of neo-Francoism. This predetermined, in the end, the change that occurred in voters' attitudes a few days before the referendum. Here is a characteristic example: at a Navarra polling station an elector asked: "Where do you vote for Gonzalez here?" (This was quoted by many papers.)

By his gesture, Manuel Fraga Iribarne scared off a proportion of his own political supporters as well—namely those who realized that an attempt to get Spain into NATO's military organization was doomed to failure and who were ready to keep the country in the bloc as such at any price. Several prominent leaders of the Popular Alliance (and all Alliance members resident in the United States) accused their leader of putting his personal ambition before the interests of the pro-NATO camp. In violation of party discipline, they voted for Gonzalez' proposal.

For his part, the President of the Government resorted on a wide scale to the tactic of inculcating Spaniards with the fear of what a break with NATO could bring. The *Paris Le Monde* pointed out that shortly before the

referendum the percentage of don't knows was comparatively high. Felipe Gonzalez spared no effort to win them over. Knowing that the Spaniards disapprove of NATO, the government and its supporters avoided even referring directly to NATO and the Atlantic alliance; at the same time Socialists tried to give the debate a "dramatic colouring." Those in control of the country's economy implied that voting against NATO membership would strike a blow at foreign investment and national exports and bar Spain's access to modern technology.

Exactly a week before the referendum, the presidents of the country's eight leading banks publicly voiced their support for the government and said the victory of the anti-NATO forces would have "an unpredictable effect on the country's economic prospects." The France Presse agency noted that "catastrophism" was a dominant motif in the campaign.

There is no denying the opportunities at the transnationals' disposal to influence the Spanish economy. "Is Spain for sale? It is being sold off on the cheap," the French weekly *L'Express* wrote last November. "At present Spain's economy is more dependent on foreign investment than that of any other European country. Foreigners are more and more in evidence in modern industries. Foreign capital controls car manufacture, trade, food production, the chemical industry, tyre production, electronics and telecommunications.... It is playing no mean role in tourism, banking and insurance, it is beginning to find its way into agriculture and even into the nationalized sector. Of Spain's 50 leading companies, 27 are foreign-owned."

Nevertheless, the fact remains that the Socialist government could have upheld the country's economic independence, but it took a different course. According to *L'Express*, the influx of foreign investments in 1984 (267 billion pesetas) was five times the figure ten years before.

In his last pre-referendum statement, the President of the Government repeated that the victory of those in opposition to NATO would entail a period of instability fraught with serious consequences. Taking credit for Spain having rid itself of American nuclear weapons (which in fact happened in 1979 under Adolfo Suarez), the SWPS leader called upon Spaniards to "vote for the government's proposal on

March 12 so that there would be no nuclear weapons in the country."

NATO Reaction

So Spain followed the example set by General de Gaulle twenty years ago. It decided to stay in the North Atlantic bloc without relinquishing control of its armed forces to the NATO joint military command. Such, strictly speaking, is the essence of the official position approved in the course of the March 12 referendum.

It is noteworthy that while France's withdrawal from the NATO joint military organization in 1966 elicited a resentful and even hostile reaction from official Washington, the results of the recent referendum in Spain were met with a sigh of relief.

The very promptness of the reaction to victory for the Spanish government before the final results had been announced showed that the outcome had been anxiously awaited outside Spain. At a most inopportune time—in the middle of the night—the EFE agency managed to contact F.R.G. government spokesmen and interview them. Hans-Dietrich Genscher, Minister for Foreign Affairs, exclaimed: "A great day has come!" Defence Minister Manfred Wörner added: "This is a historic decision." Lord Carrington, NATO Secretary-General, called a press conference in Brussels and told it he was delighted with the results of the Spanish referendum and that all members of the alliance shared his feelings.

In a personal message to the President of the Government of Spain, President Ronald Reagan praised Felipe Gonzalez' leadership and the efforts he had made to secure the nation's support on the NATO issue. Bob Sims, an official Pentagon spokesman, echoed this enthusiasm, saying that some in the White House had used the word "fantastic" and nobody thought it an overstatement. The fact was, he said, that the result benefited the North Atlantic alliance, from the U.S. point of view.

Indeed, what mattered to the Atlanticists this time was not merely the participation or non-participation of a West European country in NATO's joint armed forces commanded by an American general. The alternative they faced was Spain remaining outside the

joint military organization or breaking with NATO altogether.

"Having cast all prudence aside, the United States openly expressed its enormous satisfaction over Spain stay-

ing on in NATO," Alberto Garcia Marrder, an EFE correspondent, reported from Washington. "The Reagan Administration was afraid lest a negative outcome demonstrate the absence of unity in the camp of the NATO member states. There were also fears of a setback in Spain creating a precedent for other countries--Greece, for instance--to arrange similar referendums and dissociate themselves from NATO. The outcome of the referendum in Spain stopped the agony caused by fear of a defeat for the government despite the assurances by the SWPS leaders that they would certainly win."

Solomon Ortiz, a U.S. Congressman who visited Madrid last year as a member of the House Armed Services Committee, told an EFE correspondent frankly that the Americans were pleased with Felipe Gonzalez who had proved a real leader and kept his word. Melvin Price, a colleague of his, and chairman of a House committee, went even further. He said it was most encouraging that the Spaniards had shown their anti-communism so clearly.

The implication of these words is clear. Tom Lantos, a member of the House Foreign Affairs Committee, blurted it out by expressing the hope that Spain's involvement in NATO would sooner or later become complete. Hugh de Santis, an expert in European affairs at the right-wing Carnegie Foundation, said that in his opinion Spain would "make adjustments" in its stand on integration into NATO's military structure.

What Now?

In the meantime, "adjustments" have already begun to be made in the SWPS's economic policy. Two days after the referendum, on March 14, the Spanish government endorsed a series of measures intended to "invigorate Spanish economy." The measures included the further liberalization of foreign investments, stimulation of investment through tax benefits, and removing all obstacles in the way of private enterprise.

On the same day the cabinet officially informed all NATO members of the results of the referendum. Jaime de Ojeda, Spain's Ambassador to NATO, handed over to Lord Carrington, NATO Secretary-General, the text of the letter to be circulated to the foreign and defence ministers of the NATO member states. The Spanish Government took this opportunity to restate its position on Gibraltar and stressed that its decision to stay on in NATO did not cancel its demand that "the last colony in Europe" be abolished.

It was reported at the same time that the question of reducing U.S. military personnel in Spain would be raised at the next session of the Spanish-American Council to be held in Washington on May 27 with Francisco Fernandez Ordonez, Minister of Foreign Affairs, and George Shultz, U.S. Secretary of State, attending.

In connection with the coming talks, Spanish papers have reminded their readers that the U.S. maintains at its bases in Spain 12,545 servicemen, 1,660 civilian employees and 196 planes. The Rota naval base which makes it possible to monitor ship movements within a radius of 3,000 km is of the greatest strategic importance to Washington.

Edward Djerejian, a White House spokesman, reaffirmed at a press conference that the talks with Spain would be held. Answering the question of whether Washington had set a limit to its troop reduction or to the number of its bases on Spanish territory, he gave newsmen to understand that the U.S. was not in a hurry to deal with these matters. A change in the level of the U.S. military presence in Spain, he said, was to be discussed as an integral part of drawing up a new agreement which would replace the one now in force signed in 1983 and described by Djerejian as a cornerstone of our bilateral relations. To remove all doubts on that score, the White House spokesman stressed once again that any changes would be made conditional on the bilateral agreement to replace the current one which expires in 1988.

The U.S. government has, moreover, announced that it is going to spend \$6.5 million in 1987 on the modernization of its military bases in Spain. The lion's share of this sum--\$4.6 million--will go into reconstructing the oil main leading to the Rota naval base--the United States' most important military installation on Spanish territory near the Strait of Gibraltar. The remaining \$1.9 million will be spent by the U.S. army command on the reconstruction of its air force bases in Torrejon and Saragossa where American fighter-bombers are stationed.

In 1985 the U.S. Congress allocated \$9.6 million for the modernization of American military installations in Spain. The United States had spent a still greater sum--\$22 million--on this in 1984. Under the circumstances, the withdrawal of U.S. military personnel from Spain (like the withdrawal from France in 1966) is open to question.

The Spanish Atlanticists' enthusiasm over the results of the March 12 referendum is gradually giving way to a more sober analysis of what has happened. The newspaper ABC described the results as "a Pyrrhic victory for Felipe Gonzalez." A comparison between the referendum results and the returns in the October 1982 parliamentary elections, the paper says, will show that the Socialists have lost more than a million votes.

Speaking on national television, Felipe Gonzalez himself called on all the forces represented in parliament to achieve "a consensus on the policy of peace and security." "From now on," he promised, "Spain's policy will consist in a vigorous effort to promote the cause of peace and in an active support for detente."

The electorate, which has once again given credence to its leader's words, expects them to be followed by actions other than integration into NATO's military organization. Electors find it hard to understand why the Spanish representative attended the session of the NATO nuclear planning group in Wurzburg (FRG) at the end of March. They are puzzled as to why he publicly justified

the U.S. refusal to join the moratorium on nuclear tests after Spain had voted in the United Nations for an immediate end to nuclear weapon testing.

As for Gonzalez' call for a consensus, it was rejected outright by the right-wing opposition which has not abandoned the hope of drawing Spain into the aggressive bloc's military organization in the open, rather than through the back door, in the event of its victory at the elections. Incidentally, Alfonso Guerra, Felipe Gonzalez' deputy, has already announced that the next parliamentary elections will be held this autumn.

Those in opposition to Spain's NATO membership say that they, for their part, will not give up the fight to get their country out of the organization. They regard the referendum results as a moral and political victory evidenced by the millions of votes cast against Madrid's participation in the North Atlantic alliance.

/9274

CSO: 1812/121

WESTERN EUROPE

AUSTRIAN SEES DISSATISFACTION IN EUROPE WITH U.S. POLICY

PM060924 Moscow PRAVDA in Russian 2 May 86 First Edition p 5

[Article by Professor of History Frederick (Mayer): "Time for a Rethink in Europe"]

[Text] Austria--Before leaving the United States I chatted at a reception with a ranking U.S. Army officer. During the conversation I asked him what conclusion he and his colleagues were drawing today from the sadly failed U.S. intervention in Vietnam. I will not hide the fact that I expected him to say something along the lines of: "We will never do such a stupid thing again." But the reply was different and unexpected: "In the next major crisis we will use nuclear weapons." "Where do you think such a crisis might arise?" "In Europe, I think," was the immediate reply. "Europe may suffer heavy losses. But the world will finally be free." Let us leave the concept of "American-style" freedom to the conscience of this Pentagon representative. We will dwell on this officer's way of thinking, which, unfortunately, is by no means exceptional. It is distressing but he is not the only one to think that way in the United States. Many Americans are convinced that only their country will be able either to keep out of a nuclear confrontation altogether or to safely survive one while Europe is destroyed.

Naturally, it is hard for Europeans to hear these cold-blooded forecasts about our continent's future. One automatically starts thinking how naive the illusions are that NATO, in which the dominant role is played by the United States, will be able to defend the continent's population. The barbaric U.S. air raids on Libya have shown that the United States is pursuing a policy which has nothing to do with European interests nor, needless to say, with the interests of all mankind. The Europeans have been treated as vassals rather than partners...

Clearly it would be superfluous to dwell here on the level of thinking overseas and on the European continent in the present situation when nuclear weapons exist in the world. Naturally, the level of thinking depends on many factors, including factors such as people's educational qualifications and their ability to assess soberly the realities of the modern world. The general educational standard of people in the United States is considerably lower than in Europe. And although there are excellent universities overseas and fine private colleges, the educational standard of many average Americans

illiterate people and around 20 million who can barely read or write! That is a sorry state of affairs. However, it is widely exploited by official propaganda, and, it must be admitted, not without success, in order to influence and shape public opinion. Issues of comic books on nuclear war in Europe can serve as a typical example of the standard of the output of the Pentagon's propaganda apparatus. These publications are meant to "enlighten" U.S. servicemen based on FRG territory. The reader, the authors of these products trust, should understand the main thing: a nuclear war in Europe would not be some kind of special event (the comic book writers do not even entertain the thought that a nuclear war begun in Europe could spill over onto U.S. territory!). It is drummed into the reader that Soviet nuclear missiles are a threat to world peace. Then he sees U.S. missiles, which, needless to say, are "safeguarding" and "defending" the peace. A nuclear war will flare up and end in victory, naturally, for the United States. Different levels of destruction which could actually result from any war are shown. And, in particular, the reader's attention is not focused on destruction in Europe. The following strips show a grand festival--a victory parade by happy American soldiers.

This version of a nuclear war is not only absurd but exceptionally dangerous and irresponsible. Incidentally, U.S. propaganda is trying to impose this version on Europeans who went through the horrors of World War II and who would seem to realize that the mendacious popular strips in U.S. comics are very far removed from the harsh and terrible reality of a possible nuclear conflict.

The reality of the "national heroes"--soldiers of the U.S. Army, hundreds of thousands of whom are serving in the West European countries--are also in reality far removed from the depiction in these pathetic comics.

As they understand it the Soviet Union is "enemy number one" (all of U.S. propaganda output and all comics produced for soldiers are imbued with this theme). Their creed is blunt anticommunism, a position often hard to understand for many Europeans and in politics, as life shows, not only hopeless but dangerous.

Denis Healey, the well-known British Labour Party figure, put it well in this regard when he said: "It is very dangerous for the cause of world peace to use absurdly primitive theories to explain all the difficult problems and ins and outs of world history as if communism were the cause of all the world's ills... Everyone concerned with the fate of world peace or the NATO community must clearly and unambiguously realize this and repeat it until this awkward illusion finally stops influencing U.S. policy.

"Britain along with its friends in Europe and other areas, particularly the Commonwealth, must warn the world of the danger of current U.S. policy, particularly with regard to very tense regions, that is, Central America and the Near East." Unfortunately, Mrs Thatcher failed to follow this advice and gave the go-ahead to the U.S. bombing raid on Libya. Well, is Britain more

Today many Europeans are asking themselves with particular alarm: "Is Europe more secure thanks to the presence of U.S. nuclear weapons on the continent?" FRG citizens, for instance, are by no means sure that the Pershing-2's, cruise missiles, and chemical weapons sited alongside their homes guarantee their security and peaceful future. On the contrary, demands are being voiced with increasing urgency that mass destruction weapons be withdrawn from the country.

Peace supporters, progressive figures, and representatives of various political and social movements who realize the implications for Europe of the imperialist policy of the transatlantic strategists who are drawing up the "star wars" program and continuing nuclear weapons tests are not the only ones having a rethink. Many people in Europe have recently been regarding participation in SDI--the favorite brainchild of the U.S. military-industrial complex--with alarm. Many things not only do not promote the cause of peace and lead to an escalation of the arms race but do not promise economic and scientific gain for Europe either. Among business people in Europe there are many naive simpletons who can be convinced that U.S. firms and companies are concerned about ensuring a fair share of the profits for their West European colleagues.

The situation is making many business representatives in West Europe think seriously about whether they should pursue illusory profits from participation in the dangerous "star wars" program or continue to expand stable and mutually advantageous relations with the East. It is no secret that in the automation era, at a time when robots are being introduced into production, the problem of employment has been becoming more and more acute for many West European countries. Under these conditions the ties with the Soviet Union and the other socialist countries guarantee hundreds and hundreds of thousands of jobs.

Another significant factor is being taken into account. Western Europe is well aware that a U.S. economic boycott of the Soviet Union has no chance of success. The realization is growing that imposing all kinds of restrictions on the supply of new technology to the socialist countries actually serves the U.S. monopolies' interests and causes direct harm to Western Europe. It is no wonder that an ever-increasing number of representatives of West European business circles--and not just West European--advocate greater independence. After all, it is well known that economics is politics.

Of course it would probably be a mistake to claim that the overwhelming majority of West Europeans think that way now. But the number of people who are aware of where blind obedience to Washington's imperialist policy may lead is steadily growing. The situation itself now dictates that Europe must think in a new and different way. Life can no longer be lived according to the old ideas. The nuclear age has long since dictated the need for a new way of thinking and the utmost responsibility on the part of politicians and all sensible people.

In my view, such thoughts were given new impetus by recent events--the U.S. Air Force's bandit raid on Libyan cities and the U.S. continuation of nuclear tests. It is common knowledge that millions of people in Western Europe have resolutely condemned the U.S. Administration's blatantly criminal actions--to call things by their real names. The Europeans are outraged by them.

But there is one feature which very gravely alarmed people living in Western Europe. And that is the Americans' reaction to the U.S. military's bloody crimes in Libya: Millions of U.S. citizens supported the attack on peaceful cities in that country and the slaughter of the civilian population, women, and children. Hysteria, chauvinism, obsession with strength, and strong-arm policy--are these worthy of a great people? Are they not evidence of the perniciousness of shameless anticommunism and the inculcation in one's own people of hatred and contempt for other peoples? Are these facts not reason enough for the West Europeans to think seriously about the future?

Europe is now facing a choice: either peaceful coexistence, mutually beneficial cooperation with the East European countries, the freeing of the continent from nuclear weapons, and the reduction of the conventional arms and armed forces of the NATO and Warsaw Pact countries or the fueling of tension, confrontation, and the continuation of the arms race. It is not hard to see which path leads to peace and the continuation of life and which one leads to the abyss of nuclear catastrophe.

The time left to make that choice is diminishing. And I believe I am right in stating that an increasing number of Europeans are becoming convinced that they must choose an independent path. Before it is too late it is necessary to attentively heed the appeal addressed to the peoples of Europe by M.S. Gorbachev, general secretary of the CPSU Central Committee, in the speech which he delivered at the 11th SED Congress in Berlin: "...do not believe the fictions about the Soviet Union's aggressiveness. Our country will never, under any circumstances, begin military operations against Western Europe so long as we and our allies are not the object of aggression by the NATO countries! I repeat, never!" It is time for Europe to think in a new way.

/12712

CSO: 1807/273

WESTERN EUROPE

SOVETSKAYA ROSSIYA JOURNALISTS EXPLAIN NEW FEATURE ON EUROPE

LD052156 Moscow in English to Great Britain and Ireland 1900 GMT 5 Apr 86

["European reporter" roundtable program on European issues with unidentified presenter and program guests SOVETSKAYA ROSSIYA journalists Mikhail Ozerov and Aleksandr Bogomolov; passages in quotation marks recorded in Russian with superimposed English translation]

[Excerpts] I invite you to the editorial office of the newspaper SOVETSKAYA ROSSIYA. This is a paper distributed in some 4 million copies in the Russian Federation, the largest constituent republic of the Soviet Union. Almost at the same time with us the paper opened a new column entirely devoted to European problems [as heard], the two journalists in charge of it, Mikhail Ozerov and Aleksandr Bogomolov, called it "Europe, our Common Home." Our conversation with the editors of SOVETSKAYA ROSSIYA began with a question about the new feature. Here is Mikhail Ozerov.

"[Ozerov] Our paper, like any other daily, strives to report the main current events and the main trends in the world as quickly as possible."

As a reader of your paper I must say that you dealt at length with European problems before you provided special space for a column that you called "Europe, our Common Home." Why did you open this new column? I put that question to Aleksandr Bogomolov.

"[Bogomolov] In the first place our paper is intended for readers in the Russian Federation, so it has to touch on problems that concern them particularly. When we were launching the new column we wanted to have contributions from authors living in both parts of Europe so that they could share their ideas on how to solve problems facing Europe. We have requested contributions from such foremost experts as Dr Georgiy Arbatov, General Chervov, the Czechoslovak Foreign Minister Bohuslav Chmuppek and his counterpart in the German Democratic Republic Oskar Fischer. One of our first contributors was Willy Brandt."

"It is quite natural that readers of SOVETSKAYA ROSSIYA are very concerned about Europe's problems and relations between European countries. They seem to be particularly worried about how much of the detente tradition has survived in Western Europe. Many readers can't begin to understand why West

European governments are refusing to give a positive reply to the latest Soviet proposals, and why they are refusing to use what Mikhail Gorbachev described at the 27th Communist Party Congress as a historic chance, the chance of promoting the good-neighborly spirit, peace and disarmament in Europe. This is a repetitive theme in our mail."

You said that Russian history has always been part of European history. There is speculation in the West that the Soviet Union has recently placed more emphasis on the European aspects of its policy, allegedly to try to disunite the Western allies and drive a wedge into the Atlantic Pact. Did you take notice of these accusations when you were starting the column "Europe, our Common Home?" Although there are two polarized social systems in Europe, you talk of a common home and common interests. Mikhail Ozerov?

"[Ozerov] The Soviet Union has never tried to incite a row of division at the other end of Europe. Our goal is to have peace and quiet and no gunfire in our common European home."

"So the aim of our project is to prevent further such shots from being fired in our home and not to set the West Europeans off against the Americans."

What is the message you want to get across? A question to Aleksandr Bogomolov.

"[Bogomolov] How shall I put it? In his statement on 15 January Mikhail Gorbachev said that Europe could become a new building of international relaxation. I believe this is the general purpose of our column; we do want to contribute if only modestly to turning our old continent into a new building of relaxation, we want to help Europe use its historic chance and guarantee its peoples a life in greater peace and security."

The Western media wonder if this is some new quirk of Soviet foreign policy, or a continuation of previous efforts?

"[Bogomolov] We reject arguments current in the West that international relaxation was a deviation from the normal development of international relations at the time of competition between the two social systems. We believe that it was the normalcy. Speaking about the Soviet Union's interests, we realize that our own security depends in many ways on European security and vice-versa. That's why we are more interested in European security than countries separated from Europe by many thousands of kilometers and by oceans. For us Europe is our common home, no matter whether you look at it from a tactical or a strategic point of view."

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CSO: 1807/277

WESTERN EUROPE

PRAVDA CITES ITALIAN CP LEADERS' CONGRESS SPEECHES

PM171357 Moscow PRAVDA in Russian 14 Apr 86 Second Edition p 4

[Report by PRAVDA and TASS special correspondents G. Zafesov, Yevg. Babenko, and A. Golyayev: "At the Italian Communist Party Congress"]

[Text] Florence, 13 Apr--The attention of delegates at the Florence Italian Communist Party [PCI] Congress has concentrated on the serious deterioration in the international situation caused by the aggressive actions of the Washington administration, which is continuing nuclear tests and intensively building up military and political tension in the Mediterranean region.

"All mankind is now living through a difficult moment in its history, a moment which could become appalling," G. Pajetta, member of the PCI Directorate, said from the congress rostrum. "We Communists must neither keep silent about its danger nor minimize it."

Speaking on Italy's foreign policy course, he noted that the position of Italian Communists has a certain influence on this course. At this stage the problems of Italy's membership of the NATO bloc and the questions of ensuring national autonomy, independence, and national honor must be formulated differently. It must be decided, the member of the PCI Directorate stressed, on what conditions Italy should exist within this alliance, considering the fact that a Europe now exists which, without withdrawing from the NATO bloc, would like to be considered as a single whole.

Luciana Castellina, member of the PCI Central Committee and representative of the Lecce Communist Federation, expressed the belief that "Reaganism" as a whole is not a short-term phenomenon, because it is a question of the center of an imperial system which has created its own model, at the same time forcing other regions of the world to pay for it. At the present stage the superpower which heads the militarist alliance of which Italy is a part plays an increasingly aggressive role. It is urgently necessary, she pointed out, for Western Europe to take a more autonomous stand with regard to U.S. policy.

The decisions of the recent 27th CPSU Congress open up colossal opportunities, because they show the way to disarmament and to the establishment of new economic relations between East and West which are vitally necessary to Europe. At the same time U.S. policy in the period since the Geneva summit demonstrates Reagan's desire for new confrontation, L. Castellina stressed.

Concern over the counteroffensive by Western right-wing forces on the socio-economic rights and achievements of the working people was expressed by Piero Fassino, member of the PCI Directorate, on behalf of the workers of Turin. "In all the main West European countries conservative circles have gone into the attack, striving to plant the American model in our countries," he said.

Left-wing forces in Italy and Europe are now called upon to fulfill a historic task, the essence of which lies in resolving a whole range of the most serious problems, primarily the struggle against unemployment, meeting the population's needs, and guaranteeing the rights of every individual.

Delegates greeted the speech of Giovanni Berlinguer, member of the PCI Central Committee and secretary of the Latium regional PCI committee, with stormy applause; he demanded that Italy and other West European states make every effort to stave off the American military threat which hangs over the Mediterranean. This would be in the interests of all countries, including Italy.

Relations between the PCI and other left-wing forces in the Apennines and throughout the continent were the subject of the speech by Giorgio Napolitano, member of the PCI Directorate. In this respect the present congress is an important element and, as the speaker pointed out, may be the beginning of a "new stage in PCI policy." Italian Communists continue to follow a path of dialogue and of working out common positions with the main socialist and social democratic parties of Western Europe, and they regard the PCI as "a contemporary reformative party, which is an integral part of European left-wing forces."

G. Napolitano termed the task of "not only conditioning the policy of our governments, but also guiding this policy during the complex transition we are now experiencing, striving for progress and peace" as the main aim facing European left-wing forces.

A relatively broad joint platform which must be upheld within the North Atlantic bloc with regard to the alarming positions and actions of the Reagan administration was developed on the questions of detente and ensuring security within the framework of left-wing European forces. This is particularly important today in the face of the American "star wars" plan and the growing threat of aggressive actions in the Mediterranean. G. Napolitano joined the urgent demands of other speakers to secure "energetic, immediate measures" from the entire EEC in favor of detente and elimination of the explosive situation that has taken shape.

There is no doubt, he concluded, that only by acting in accord with other Italian and European left-wing forces can we come forward with effective initiatives in the interests of strengthening peace, establish positive relations with U.S. democratic political forces, look beyond the bounds of West European borders, and contribute to the development of relations with the Soviet Union and other countries in Eastern Europe at a time when unquestionable evolutionary processes are taking place in this region.

The debate, in the course of which 86 delegates spoke, was concluded.

PCI Secretary General A. Natta delivered the closing speech at the congress.

Participants in the congress then began the election of PCI leading organs.

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CSO: 1807/277

EASTERN EUROPE

USSR-HUNGARY: COOPERATION IN MICROELECTRONICS

Moscow PRAVDA in Russian 31 Mar 86 p 4

[Article by V. Gerasimov, PRAVDA special correspondent in Budapest, March, under the "Cooperation" rubric: "Time is Hurrying: Cooperation Today in Microelectronics"]

[Text] These days the workers of Hungary are preparing to greet the 41st anniversary of the country's liberation from fascism, which is being marked on 4 April. Flowers are laid at monuments to soviet hero-liberators, and meetings, parties and gatherings are taking place. Production collectives are working out new directions of Hungarian-Soviet cooperation. Plans for the creation of joint enterprises are being discussed in correspondence being published.

...This exhibition has been placed on the background of a glass building--of the club of the medical equipment enterprise Medikor. Sky-blue screens of displays flicker on stands. Electronic instruments conduct analyses in seconds, operate X-ray apparatuses, and aid area doctors and surgeons and researchers in laboratories. Today it is difficult to imagine modern medical equipment without this kind of intellectual "filling."

"We have developed a MMT--Microprocessor Medical Technology--system," says Technical Director Antal Adam. "The license for this technology has been acquired by the Soviet side. Questions concerning the creation of a joint Hungarian-Soviet enterprise, which would serve the development of a second generation of MMT-2 equipment, were discussed still earlier."

The need for the creation of joint Hungarian-Soviet production enterprises in various branches of industry and agriculture matured a long time ago. Antal Adam acquainted me at Medikor with the design, in which all the "parameters"--production and legal--of such an enterprise have been calculated and where the basic capital would be combined, and the directors from our two countries and specialists would work

together on one problem and would share the profit equally.

"The idea," he explained, "is to provide the public health network of both countries with medical apparatuses which use Soviet microelectronic equipment, and also the component base of other socialist countries. We would hereby exclude dependency on import from capitalist countries."

At the same time, Antal Adam repeated the following several times: "Time is hurrying! Time is hurrying to multiply forces most of all in the priority branches of electronics and microelectronics and of robotics."

The tasks presented in the Overall Program of Scientific and Technical Progress of CMEA Member Countries up to the Year 2000 are felt specifically at Medikor and are being responded to with weight proposals.

Sixteen enterprises and industrial cooperatives are participating in the carrying out of the state program in the area of electronics and microelectronics. The well-known combine Videoton, which produces displays and is now working on color versions of them, peripheral units for a Single System Electronic Computer and small computers, is closely connected with the Soviet Union. Microelectronic "chips" are being introduced into the production of the Budapest communications technology plant.

At the Remiks electronic components plant, General Director Rudolf Molnar and Yanosh Satmari, the head of one of the design buro departments, have given examples which indicate what an important aid the scientific-technical cooperation of our countries is for the further growth of production. Integrated circuits and diodes, capacitors and resistors--thin (disks, "buttons," cylinders and quadrants marked by color bands) are put out by the thousands from machines.

One of the mini-instruments being produced here on their base is the potentiometer. How can the noise factor be reduced? This is being solved on the basis of joint development. Another subject is that of measuring instruments. This is an important direction, since in microelectronics, tests, checks and monitoring cost more than production. Three of these new instruments sent to Soviet customers have proven their value. The volume production of them will now begin. The distribution of tasks and efforts is a factor which reduces development time. Hungarian researchers will introduce a number of new suggestions for the creation of special (conducting pastes.) Soviet specialists are occupied with new high-frequency materials, sharply reducing the cost of their production. A mutual exchange of various components is being carried out--this is also beneficial and economizes time and

funds. But in order to improve and extend cooperation, a permanent Soviet partner from an analogous area is being sought at Remiks for direct contacts.

"Our cooperation in electronics and microelectronics," VNR Deputy Minister of Industry Shandor Bagnar told me, "has a traditional and good basis. Mutual deliveries for significant sums of money are being carried out. But the spirit and letter of the Overall Program of Scientific and Technical Progress require new mutual steps directly in the production of electronic computers, microprocessors and a component base. In order to avoid parallelism, the Hungarian side is trying to develop such microcircuits, components and devices which will be needed both in the Soviet Union and in other socialist countries. In particular, such circuits are oriented to specific equipment, measuring equipment controlled by an electronic computer, and monitors for the qualitative analysis of integrated circuits.

More than 250 large-scale Soviet computers are operating in Hungary. The first machine from this new series--the YeS-1036--was recently installed for the State Scientific Information Center. Engineers from the Minsk Production Association of Computer Technology set it up in short periods of time. The manager of the center, Yozhef Kertes, gives it a high evaluation. The Soviet YeS-1045 machine recently installed in Dunaúváros at a metallurgical combine has also been "acclimatized." They intend to buy a second such machine here. Specialization is obliging Hungary to produce individual types of electronic components, microcomputers and (separate robotics hardware). And not inferior to the best foreign analogues, the first production line in the new Hungarian Mikroelektronika Enterprise, which manufactures integrated circuit "chips" through a Soviet license, is in operation.

We pass through long corridors, which sparkle with pharmaceutical cleanness, with General Director Bela Balog into a hermetically sealed section with glass walls. We have on snow-white overalls with hoods. According to technical regulations, not more than three particles of dust should be contained in one cubic meter of the air. One cannot converse. Quick movements are not allowed. The manufacturing of components of up to one-thousandth of a millimeter is required there. And this jump in reproduction of the highest accuracy is achieved due to a set of Soviet machines on a highly productive line.

"We have already recently started up a second line through a license from the GDR, but we also began to produce integrated circuits for televisions, video recorders and measuring

instruments based on our own developments and with the use of Soviet equipment," said the general director. "Last year we produced 30 million integrated circuits and about 100 million transistors, diodes and rectifiers. We produce various robots and manipulators, which are supplied to the Soviet Union."

Bela Balog is a graduate of the Kiev Polytechnical Institute (KPI). His wife Tatyana, who heads one of the departments in the design buro, also studied there. His son Viktor is also studying now in the KPI and will be a radio electronics engineer. In all among the plant's specialists in microelectronics, about 40 engineers have graduated from higher educational institutions in the Soviet Union. Bela Balog has held the managerial post of this large-scale enterprise, in which four and a half thousand persons work, for two years. He speaks thoughtfully about the directions for the further expansion of Hungarian-Soviet relations. He thinks that it is necessary to switch over to new forms more boldly. The microelectronic engineers have also proposed to create a joint Hungarian-Soviet enterprise.

Sandor Bogнар has familiarized me in detail with this new project in the VNR Ministry of Industry. The idea was stated in the documents of a recent meeting of the intergovernmental Hungarian-Soviet commission for economic and scientific-technical cooperation. Within the next few days the Hungarian side should also present a detailed "package" of its proposals. The crux of them is the development of large-scale integration circuits (LSI) in a jointly created enterprise. They have broad functions, are universal and find application in chemistry, metallurgy, machine tool manufacturing and a development system. "Chips" for individual unique machines and instruments will be produced. Mikroelektronika is proposing a wide nomenclature, but with small series. This will also serve to reduce dependence on import from the West.

Since the programming and developing of software sometimes reaches 70 percent of the cost of a microcircuit, thought must be given to the creation of a joint enterprise in this field. The Videoton combine is now taking this idea to "task."

Programs for computer technology is a new sphere in the exchange of trade. I was told in the Budapest ELORG manufacturing center that beginning last year in Hungary, they have begun to regularly supply programs developed by our specialists, and, vice versa. But if a joint enterprise were created, the "output" of such "intellectual" goods would aid the accelerated mass computerization of

our countries and raise the efficiency of the use of electronic computers.

Time is not waiting! Shandor Bogнар also said these words to me at our parting.

12810

CSO: 1825/57

LATIN AMERICA AND CARIBBEAN

CONSULAR CONVENTION SIGNED BETWEEN USSR, BOLIVIA

[Editorial Report] Moscow VEDOMOSTI VERKHOVNOGO SOVETA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian No 20 of 14 May 1986 carries on pp 327-340 a 4500-word text of a consular convention signed between the USSR and the Republic of Bolivia. The convention consists of 43 articles divided into 5 sections and a protocol. The sections are: I--definitions; II--opening of consular establishments and designation of personnel; III--privileges and immunities; IV--consular functions; and V--a concluding decree. The protocol lays out proper procedure by the consul or consular official regarding arrest or detention of citizen of the represented country. The Convention was completed in La Paz on 18 March 1980. It was ratified by the USSR Supreme Soviet on 16 April 1985 and by the President of the Republic of Bolivia on 20 February 1985. Exchange of ratification documents took place in La Paz on 5 June 1985. The Convention was signed by B.A. Kazantsev for the Soviet Union and by J. Garrett Aillon for Bolivia.

CSO: 1807/292

BRIEFS

LATIN AMERICAN TRADE UNIONISTS VISIT--A delegation from the trade union centers of 8 Latin American countries arrived in Tajikistan. They were in the USSR at the invitation of the All-Union Central Council of Trade Unions (AUCCTU). The members of the delegation were received by chairman of the Tajik Trade Union Council A.D. Dabavayev. He described the role and activities of the republic's trade union organizations. The guests learned about the activity of the Tajik Society for Friendship and Cultural Ties with Foreign Countries and the work of the trade union committee at the Dushanbe Cotton Association. [Excerpts] [Dushanbe KOMMUNIST TADZHIKISTANA in Russian 8 May 86 p 2] /13045

CSO: 1807/285

PAPER VIEWS TRADE PROSPECTS WITH PRC

PM301018 Moscow MOSCOW NEWS in English No 15, 20 Apr 86 (Signed to Press 15 Apr 86) p 4

[Viktor Andreyev article under the rubric "Business": "USSR-PRC: Trade To Grow Over Next Five Years"]

[Text] The Soviet-Chinese commission on economic, trade, scientific and technological cooperation has held its first meeting in Beijing. The sides noted considerable progress in the development of trade and economic relations between our countries. The commission examined the possibility of Soviet-Chinese cooperation in the construction and modernization of industrial enterprises in China, as well as the prospects of scientific and technological ties between the two nations. It noted the existence of great prospects in these fields.

Last year the trade turnover between the two countries increased over 60 percent to comprise upwards of 1.6 billion roubles. Its growth was accompanied by a marked extension in the assortment of mutual deliveries. The Soviet Union exports to China machines and equipment, including aviation technology, cars and trucks, as well as ferrous metals, fertilizers, cement, various kinds of raw materials and semifinished products. China supplies agricultural produce, textiles and consumer goods, industrial raw materials, etc.

For the first time in the history of Soviet-Chinese relations an agreement was signed last year on trade turnover and payments for 1986-1990. Over the five years the volume of mutual deliveries will amount to 12 billion roubles. In 1990 trade turnover will reach three billion roubles.

Besides the trade agreement, an agreement was also signed on economic and technological cooperation in the construction and modernization of industrial projects in the PRC. In 1986-1990 the Soviet Union will assist China in building seven new and modernizing 17 existing facilities in the power and mechanical engineering, coal and chemical industries.

In 1984-1985 the Soviet Union took part in the international exhibition of medical equipment and instruments and the international trade fair ASPAT-85

held in the PRC. For its part, the People's Republic of China regularly goes to the Moscow international book fairs, and last year it took part in the Interbytmash-85 exhibition. This year commercial and industrial exhibitions of the two countries will be held in Moscow and Beijing.

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MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

U.S., WEST SEEN ATTEMPTING TO DISRUPT IRANIAN ECONOMY, OPEC

NC251107 Moscow in Persian to Iran 1600 GMT 24 Apr 86

[Unattributed commentary]

[Text] The rapid drop in oil prices during the past few months has inflicted immense damage on developing oil-exporting countries. Imperialist circles, headed by the United States, have used their political and economic leverage to wage a real war against OPEC. These circles seek to create a rift in the ranks of this organization. They are imposing on it the diktat of multinational companies that have much to gain from the fall in oil prices. As pointed out at the OPEC conference in Geneva, all OPEC members have been harmed by the steps taken by the western monopolies. Their losses during the first 3 months of the current year alone surpassed the \$10-billion mark.

The present situation has had an especially serious impact on Iran's economy and has brought to the forefront the problem of eliminating dependence on imperialism and of achieving true economic independence.

The 11 February revolution inflicted a severe blow on the position of the United States in Iran, and especially on the rule of U.S. oil companies in the country. The Iranian Republic took measures to declare national sovereignty over the country's natural resources and nationalize the oil refinery units and installations and most banks and companies. This helped to control the spiteful and uncontrolled activities of foreign companies in Iran. However, these measures were limited; they were not fully carried through and have not led to any fundamental changes in the structure of Iran's foreign economic relations. Struggles against the injustice of U.S. companies only served to help other imperialist governments replace their major competitor. According to figures published in the U.S. magazine FOREIGN AFFAIRS, more than 60 percent of Iran's foreign trade is with western industrialized countries. The role of these countries in Iran's foreign trade and economy remains virtually unchanged. U.S. companies benefit from their relations with businessmen of other imperialist countries. They act through joint companies by hiding behind European and other masks and names and thus continue their plundering activities in Iran.

The activities of West German companies in Iran clearly show how much this situation costs Iran. For example, last year alone, they exported 3 and 1/2 times more goods to Iran than they imported from it. Thus they profited from

Iran's economy, weakened as a result of the fruitless Iran-Iraq war, to the tune of more than \$2 billion. Imperialist countries are doing their best to ensure that Iran remains a source of their raw materials. The construction of the petrochemical complex in Bandar-e Khomeyni has been in progress for more than 10 years. Japan's Mitsui Company, which is carrying out this project, has not only increased the initial cost and postponed the deadline many times, but has constantly and on various pretexts blackmailed Iran by threatening to halt construction. It is worth noting that there is a long way to go before this project is completed.

Iran's dependence on the fluctuations in the capitalist world's oil market has especially negative impacts on the country's economy. The new tactic that oil-devouring imperialism is employing toward Iran is part of the West's strategy, aimed at weakening OPEC and causing it to disintegrate. President Reagan insolently analyzed the nature of this strategy by saying that OPEC should be made to kneel. During his recent trip to the Persian Gulf, Vice President Bush blatantly threatened Iran, and other OPEC countries that refuse to accept the U.S. Diktat, with the use of force. According to AFP, in a news conference President Reagan resorted to the false pretext of solidarity against terrorism and threatened to bomb Tehran.

The current price war being waged by western companies in the world market is seen by Washington as an important weapon in its attempt to bring pressure to bear on Iran and other OPEC members. Western press reports imply that the West has pinned its hopes on the so-called vulnerability of Iran's economy, which obtains about 95 percent of its foreign exchange from oil exports. For example, U.S. journalist Jackson analyzed this same idea in his recent article in the British magazine EUROMONEY. The magazine pointed out that the cut in oil exports is pushing Iran toward a long-term economic crisis. This will help to destabilize the domestic situation and make the country more dependent on Western companies.

As reported by KEYHAN recently, subversive operations by western companies have resulted in this year's production being 36 percent lower than was projected last year.

Meanwhile, western countries are limiting the export of machinery and special equipment for oil exploration and extraction to Iran.

In short, the imperialist companies are doing their best to exacerbate Iran's economic difficulties, in order to pave the way for the pro-western bourgeoisie in Iran to consolidate its position. It is no accident that Iranian Prime Minister Musavi, analyzing the reasons for the recent fluctuations in the world oil market, described the current situation as a sly and well-planned plot by the west, aimed at weakening OPEC members and at destabilizing regimes that pursue anti-imperialist policies.

Iran today faces a new phase of strong confrontation with oil-devouring imperialism. Victory or defeat in this struggle will largely depend on whether Iran will be able to take effective steps to stop the country's economic dependence on imperialism, to fundamentally reconstruct the structure and geography of the foreign economic relations that it has inherited from the past, and to draw up a program for socio-economic progress that will meet the true interests of the Iranian people.

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

IRAN'S SUPPORT FOR AFGHAN 'BRIGANDS' ASSAILED

NC081305 Moscow in Persian to Iran 1000 GMT 8 May 86

[Unattributed commentary]

[Text] Yet another anti-Soviet meeting of Afghan counterrevolutionaries was held on Saturday, 3 May, at Laleh hotel, one of Tehran's main hotels. Iranian and foreign correspondents were invited to this meeting. Leaders of Jami'at-e Eslami-ye Afghanistan and some other piratical organizations that have donned Islamic masks made harsh, slanderous attacks on the Soviet Union and democratic Afghanistan. They also spoke against the Afghan-Pakistani talks that are being held in Geneva, with the mediation of Diego Cordobez, the UN secretary general's special representative, on the normalization of the situation around Afghanistan.

The leaders of the counterrevolutionary bands announced that they will continue the undeclared war against democratic Afghanistan which U.S. imperialists and regional reaction have fomented. (?The source) of the warmongering zeal of the Afghan brigands who met in Tehran is very obvious. The U.S. imperialists have spent \$1.2 billion so far on the war against Afghanistan, training the mercenaries and supplying them with arms. During the current year Washington has allocated another \$470 million for this purpose. The White House recently sanctioned the delivery of Stinger anti-aircraft missiles and other modern weapons to the Afghan brigands. It is regrettable that the meeting of the Afghan counterrevolutionaries in Tehran was initiated and fully supported by Iranian officials. Iran's reactionary circles are drawing their country deeper and deeper into the eddy of the undeclared war against their peaceloving neighbor Afghanistan. These circles, like the U.S. imperialists, are working against the April revolution which successfully took place 8 years ago. Thanks to this revolution, the Afghan people ended feudal rule and were able to grant the land to those who till it. They ended the exploitation of workers and ensured that all the peoples and tribes of the country enjoyed equal rights. The progress which Afghanistan has made enrages those in Iran who prevent the allocation of land to Iranian farmers and who participate in the exploitation of Iran's working masses. The forces of reaction are afraid of the example set by the Afghan people, who are constructing their lives, and are trying--together with the imperialists--to destroy the fruits of the April revolution. The war that they have started against Afghanistan has inflicted heavy losses on the country. The brigands have

destroyed 2,000 schools, 200 hospitals and health centers, and more than 250 mosques. The Afghan counterrevolutionaries, who are tools in the hands of U.S. imperialists and regional reaction, have tried to exonerate themselves and their mentors from blame for the crimes they have perpetrated in Afghanistan. In so doing, they have broken all records of impudence and duplicity. At the Laleh Hotel meeting attempts were even made to blame Afghanistan's friends, namely the Soviet Union, for damages inflicted on the Afghan people because of the undeclared war. At this meeting, the brigands' leaders pretended to be defenders of Islam, but at the very same time their bands that had infiltrated Afghanistan were using missiles to shell a holy shrine in the city of Qandahar, killing a woman and a child. Thousands of defenseless Afghans, including old people, women, and children, have been killed by the brigands. The counterrevolutionaries have murdered more than 250 outstanding Afghan clergymen.

Iran's Prime Minister Musavi recently called on the Soviet Union to stop supporting the Afghans on the grounds that this support gives the United States an excuse to carry out aggression against Afghanistan. Such appeals do not stem from an interest in normalizing the situation. Their objective is to weaken Afghanistan and isolate it in the struggle against the forces that seek to stifle its revolution so that the old system of feudalism may be forcibly revived. As for the Soviet Union's military assistance to Afghanistan, it should be said that the Soviet stand on this is very clear, explicit, and firm. This stand was once again explained in the political report presented by Mikhail Gorbachev to the 27th CPSU Congress. Mikhail Gorbachev stated: We want the Soviet military forces that are in Afghanistan at the request of the Afghan Government to return home in the near future. Agreement has been reached with the Afghans on a phased withdrawal, and as soon as a political solution is achieved which is truly capable of ensuring a halt to foreign armed intervention in the DRA's domestic affairs, and will reliably guarantee that such intervention will not be resumed, this plan will be implemented. Mikhail Gorbachev pointed out that our vital and national interests dictate that the Soviet Union have permanent, good, and peaceful relations with all neighboring countries. This is the cornerstone of our policy.

There is no doubt that the interests both of the Afghans and of the Iranians lie in the fulfillment of this objective.

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MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

USSR-SYRIA: COOPERATION IN AGRICULTURE

Moscow FOREIGN TRADE in English No 4, Apr 86 p 24

[Article by Yuri Borisov, president of V/O Selkhozpromexport]

[Text]

The basis of Soviet-Syrian economic relations were laid down in October 1957 by an Agreement on Economic and Technical Cooperation that devoted considerable attention to the development of agriculture in Syria. The Euphrates hydraulic power engineering complex is a very important project of cooperation now solving many farming problems. Commissioned in 1978, the complex, in addition to the annual production of about 2,000 million kWh of electricity, has made it possible to irrigate more than 600,000 hectares of arid lands around the Euphrates water reservoir which has a volume of 11,000 million cubic metres.

Since the early 1970s the All-Union Foreign Trade Association Selkhozpromexport has been rendering technical assistance to Syrian state organizations to put new lands under the plough in the zone of the Euphrates reservoir. The first land area scheduled for development (21,000 hectares) in the Meskene region became fit for crop farming in 1983.

In this area seven state farms have been set up, one of them (4,000 hectares), with Soviet specialists' assistance. Over this area crop productivity is increasing year by year thanks to irrigation, besides proper field management, mechanization, chemicalization. Water is led to the irrigated network, designed by Soviet specialists, by a pumping station (pumping rate more than 36 cu.m/sec.) built with Soviet technical assistance.

Soviet specialists are still helping Syria to develop the Meskene massif: irrigation projects are being constructed over an area of 50,000 hectares, the major of them being the pumping station (pumping rate 93 cu. m/sec.), the largest in the Near East, and a 72-kilometre canal. New lands are already being prepared for cultivation.

The first irrigation stage of the massif concerns an area of 20,000 hectares; it will be operative in early 1987. It is planned to set up on that area 12 state farms which will then provide a considerable

number of farm workers with jobs.

The year 1985 saw the completion, to a Soviet design, of the construction of an irrigation dam on the Northern Khabur river, thus making a reservoir with a volume exceeding 200 million cubic metres. The reservoir will enable 14,000 hectares of fertile lands near the Mediterranean Sea to be irrigated. This is the country's developed agricultural region where cereals, vegetables and fruits are grown. The newly irrigated lands will do much to increase farm production.

Research and development occupy a considerable place in the total volume of Soviet organizations' technical assistance in agriculture. Over the years of co-operation surveys have been carried out in order to elaborate a general plan for developing the Aleppo lands (area 125,000 hectares) by using the Euphrates reservoir's waters; schemes have been drawn up for the comprehensive use of water and land resources of Syria's four Western regions (most promising from the agricultural development point of view) and also schemes for using the water and land resources of the Yarmuk river basin bordering Jordan.

Survey work is in full swing for designing a scheme using water

resources in the Syrian desert. The scheme will determine the possibility to expand pasture land and use it for cattle-breeding. This region occupies about 40 per cent of Syria's territory.

After completing their surveys, Soviet engineers are now elaborating technical and economic substantiations for the first stage of taking water from the Barada and Auwadj river basins for farm crop irrigation in the Damascus region. It is important to solve this region's water problem as there is a growing shortage of water due to increased water consumption on the part of the population of the growing city, its industry and also agriculture.

To help Syria design, survey and construct irrigation systems and networks Soviet organizations send to that country highly skilled engineers, train local personnel, elaborate considerable volume of designs and irrigation schemes in the USSR and also supply projects with surveying facilities, tractors, motor vehicles, construction machinery, materials and farm machines.

Soviet-Syrian cooperation in agriculture, taking a great share in the total volume of the two countries' economic and technical relations, has good prospects in the years to come.

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SUB-SAHARAN AFRICA

ANC GENERAL SECRETARY NZO VIEWS SITUATION IN SOUTH AFRICA

PM071401 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 May 86 p 3

[Interview with Alfred Nzo, general secretary of the African National Congress of South Africa, by correspondent A. Baranov: "Struggle to Victory!"--date and place not given]

[Text] The name of Alfred Nzo--the eminent South African politician and implacable fighter against apartheid--is known today to millions of people throughout the world. Beginning in his youth, he joined in the struggle for his motherland's liberation from the racist yoke, he has frequently been arrested, and languished for a long time in prison torture chambers without trial or investigation. But the persecutions and repressions have not broken the patriot. Since 1969 he has been general secretary of the African National Congress (ANC) of South Africa. A KOMSOMOLSKAYA PRAVDA correspondent met with him and asked him to answer a few questions.

[Baranov] Comrade Nzo, last July, in an interview with our newspaper you said that the struggle of the black majority of South Africa against the racist regime was entering a qualitatively new stage. What changes have characterized the development of the situation in the Republic of South Africa in the period that has elapsed since then?

[Nzo] As of now the protracted political crisis the country is experiencing has acquired unprecedented acuteness. P. Botha's regime has been deadlocked and it can no longer find a way out. The signs of the revolutionary situation creating conditions for the transfer of power into the people's hands are becoming increasingly clear. There is a growing inability on the part of the ruling clique to exercise control over the situation in the country.

At the same time, "grass roots" support has been activated--the democratic movement is gathering strength. Its distinguishing feature at the present stage is the fact that virtually all strata of the oppressed population are taking part in the struggle against the regime. The South African proletariat is playing an increasingly marked part in the demonstrations--strikes now encompass many of the country's industrial enterprises. A powerful new impetus to the development of the struggle was the creation at the end of last year of the South African Congress of Trade Unions, which unites half a million workers.

Alongside economic demands (for an increase in wages and the creation of normal working conditions) the working class is also putting forth political slogans more and more actively.

The ANC regards the further rallying and coordination of actions of all forces taking part in the national liberation movement as its main task for the immediate future.

In its struggle to eradicate the apartheid regime, the ANC uses diverse forms of struggle, including military forms. But I would like to emphasize that we do not rule out and even welcome the possibility of a political solution to existing problems. The ANC is ready to conduct talks with Pretoria but only after the following demands have been met: the liberation from prison of all political prisoners, the lifting of the ban on the activity of our organization and other parties, and the withdrawal of the punitive subunits from the black ghettos. In brief, we are keeping open the door to reaching a compromise...

[Baranov] But reality attests that the regime's methods essentially remain the same as before.

[Nzo] Yes, in an attempt to retain its positions, the regime is continuing to gamble on Army bayonets. But it is already obvious that, by relying only on violence, it will not succeed in retaining power for long. The racist leaders have therefore recently been resorting to various ploys, pretending to be ready to renounce apartheid. The aim of these maneuvers is twofold--to mislead the international public and on the domestic front to provide a safety valve for the people's anger through partial concessions and small-scale reforms, without allowing a nationwide explosion to erupt. But fortunately the people of South Africa are well aware that all these "good deeds" are in fact fiction. They do not affect the foundations of apartheid and therefore racist legislation remains unaltered and the policy of enforced Bantustanization, and segregation in education is continuing... Today no one has any doubts that these problems cannot be resolved without the transfer of power into the people's hands. This understanding did not come immediately, it was achieved through suffering over long years of the liberation struggle.

[Baranov] What role does the younger generation of fighters have at the present stage of the national movement?

[Nzo] As was the case a decade ago--in the days of Soweto--the young people are on the frontline of our struggle. But here is what I want to stress. While formerly the main motif of these demonstrations was the protest against the separate education system, against the compulsory teaching of Afrikaans in schools in our day, the slogans with which thousands and thousands of young men and women are coming out to demonstrations include far broader demands connected with the fundamental restructuring of the political system in the country. This is the direct result of the growth of the South African young people's self-awareness which, of course, has been greatly promoted by their closer union with the working class.

Nor can we fail to consider yet another feature of the present moment connected with the growth of the role of young people. It is a case of the strengthening

movement of the progressive young whites. Its positions are particularly strong among the students of the "white" universities, among new recruits drafted to military service. Cases of white soldiers refusing to open fire on demonstrators in the ghettos have become more frequent, although they are threatened with a heavy fine for refusal to obey orders and, with repeated insubordination, with prison...

[Baranov] Comrade Nzo, the militant, selfless struggle for national liberation that the people of South Africa are waging is meeting with an ardent response in the hearts of the people of the whole world. The Soviet Union and the other socialist countries invariably render support to the revolutionary-democratic movement of the black majority in the Republic of South Africa. How do you assess the importance of this international solidarity and what impact is it having on the course of the struggle?

[Nzo] Right now the role of international solidarity is greater than ever. True friends are always to be recognized in times of difficult ordeals. And I can say quite definitely that the honest, direct, selfless line of the Land of the Soviets in support of national liberation movements, including our struggle, serves as a mighty factor exerting enormous positive influence on the course of progressive changes in countries whose peoples are fighting for national self-determination and against inequality and oppression. Despite the noisy and malicious anti-Soviet campaigns, Africans are well aware that real socialism headed by the USSR is their firm and reliable ally in this struggle.

[Baranov] What would you like to wish young Soviet men and women?

[Nzo] Above all peace, happiness, and new achievements for the benefit of the motherland. After all you--our children--will have to live in the 21st century. And ultimately the very future of our planet depends on the nature of the thoughts and specific deeds of young people.

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CSO: 1807/284

SUB-SAHARAN AFRICA

USSR, GHANA SIGN CONSULAR CONVENTION

[Editorial Report] Moscow VEDOMOSTI VERKHOVNOGO SOVETA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian No 18 of 30 April 1986 carries on pp 281-296 a 5500-word text of a Consular Convention signed between the USSR and the Republic of Ghana. The convention consists of 45 articles divided into 5 sections: I--definitions; II--opening of consular establishments and designating personnel; III--privileges and immunities; IV--consular functions; and V--a concluding decree. The Convention was completed in Accra on 22 February 1985 and went into effect on 10 November 1985. It was signed by V. Semenov for the Soviet Union and by A. Osamoah for the Republic of Ghana.

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